FORM 3

STATE OF UTAH

DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number: ML-22058

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

6. If Indian, Allottee or Tribe Name:

1A. Type of Work: DRILL [X] DEEPEN [ ]

7. Unit Agreement Name:

B. Type of Well: OIL [X] GAS [ ] OTHER: SINGLE ZONE [ ] MULTIPLE ZONE [ ]

8. Farm or Lease Name: Sundance State

2. Name of Operator: Inland Production Company

9. Well Number: #3-32

3. Address and Telephone Number: P.O. Box 1446 Roosevelt, UT 84066

10. Field and Pool, or Wildcat:

4. Location of Well (Footages)
At Surface: 769.9' FNL & 1955.6' FWL
At Proposed Producing Zone:

11. Qtr/Qtr, Section, Township, Range, Meridian: NE/NW Sec. 32, T8S, R18E

14. Distance in miles and direction from nearest town or post office: 21.5 miles southeast of Myton, Utah

12. County: Uintah

13. State: UTAH

15. Distance to nearest property or lease line (feet): 2664.4'

16. Number of acres in lease: 640

17. Number of acres assigned to this well: 40

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): 769.9'

19. Proposed Depth: 6500'

20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 5071.7' GR

22. Approximate date work will start: 2nd Quarter 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24#	300'	120 sx Class G+2% CaCl+2% Gel
7 7/8	5 1/2	15.5#	TD	400 sx Hilift followed by
				330 sx Class G w/ 10% CaCl

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

The actual cement volumes will be calculated off of the open hole logs, plus 15% excess.

24.

Name & Signature: Brad Mecham Brad Mecham Title: Operations Manager Date: 2/20/96

(This space for State use only)

API Number Assigned: 43-047-32741

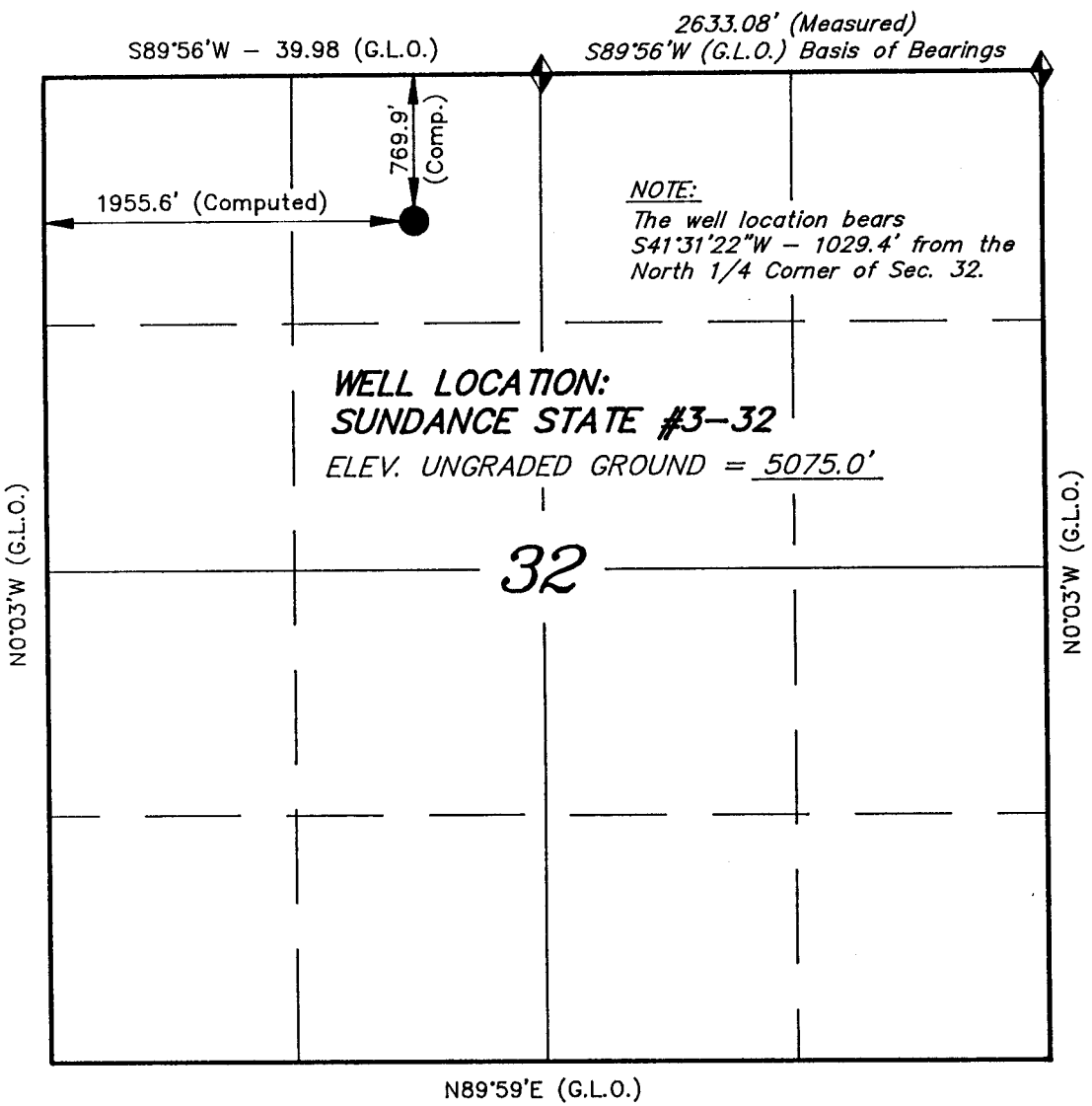
Approval:

J.B. Matthews Petroleum Engineer 3/4/96

(See Instructions on Reverse Side)

(1\93)

T8S, R18E, S.L.B.&M.



◆ = SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (PARIETTE DRAW SW)

INLAND PRODUCTION COMPANY

WELL LOCATION, SUNDANCE STATE #3-32,
LOCATED AS SHOWN IN THE NE 1/4 NW 1/4
OF SECTION 32, T8S, R18E, S.L.B.&M.
UINTAH COUNTY, UTAH.

N

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 189377
STATE OF UTAH

REGISTERED LAND SURVEYOR
No. 189377
STACY W. STEWART
STATE OF UTAH

TRI STATE LAND SURVEYING & CONSULTING
38 WEST 100 NORTH – VERNAL, UTAH 84078
(801) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: S.S.
DATE: 2-13-96	WEATHER: COOL
NOTES:	FILE #

SUNDANCE STATE #3-32
NE/NW SEC. 32, T8S, R18E
UINTAH COUNTY, UTAH
ML-22058

HAZARDOUS MATERIAL DECLARATION

INLAND PRODUCTION COMPANY guarantees that during the drilling & completion of the above referenced well, we will not use, produce, store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Superfund Amendments and Reauthorization Act (SARA) of 1986.

INLAND PRODUCTION COMPANY guarantees that during the drilling and completion of the above referenced well, we will use, produce, store, transport or dispose less than the threshold planning quantity (T.P.Q.) of any extremely hazardous substances as defined in 40 CFR 355.

JOHNSON WATER DISTRICT
R.R. 3 BOX 3188
ROOSEVELT, UT 84066
TELEPHONE (801) 722-2620

February 16, 1996

TO WHOM IT MAY CONCERN:

Inland Production Company has purchased a 3 inch water connection with Johnson Water District to supply Monument Butte oilfield.

Johnson Water District has given permission to Inland Production Company to use water from our system for the purpose of drilling and completing the Sundance State 1-32, and 3-32.

Sincerely,

Karen Ashby

Karen Ashby,
Secretary

INLAND PRODUCTION COMPANY
SUNDANCE STATE # 3-32
NE/NW SEC. 32, T8S, R18E
UINTAH COUNTY, UTAH

TEN POINT WELL PROGRAM

1. ***GEOLOGIC SURFACE FORMATION:***

Uinta formation of Upper Eocene Age

2. ***ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:***

Uinta	0' - 3030'
Green River	3030'
Wasatch	6500'

3. ***ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:***

Green River Formation 3030' - 6400' Oil

4. ***PROPOSED CASING PROGRAM***

8 5/8", J-55, 24# w/ ST&C collars; set at 300' (New)
5 1/2", J-55, 15.5# w/ LT&C collars; set at TD (New)

5. ***MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:***

The operators minimum specifications for pressure control equipment are as follows:

A 8" Double Ram Hydraulic unit with a closing unit will be utilized. Function test of BOP's will be conducted daily.

(See Exhibit "F")

6. ***TYPE AND CHARACTERISTICS OF THE PROPOSED CIRCULATION MUDS:***

It is proposed that the hole be drilled with fresh water to the Green River Formation @ approximately 3030', and with mud there after. The mud system will be a water based gel-chemical, weighted to 10.0 ppg as necessary for gas control.

7. ***AUXILIARY SAFETY EQUIPMENT TO BE USED:***

Auxiliary safety equipment will be a Kelly Cock, bit float, and a TIW valve with drill pipe threads.

8. ***TESTING, LOGGING AND CORING PROGRAMS:***

No drill stem testing has been scheduled for this well. It is anticipated at this time that the logging will consist of a Dual Induction Laterolog, Compensated Neutron-Formation Density Log. Logs will run from TD to 3500'. The cement log will be run from PBTD to cement top. The use of mudloggers to be determined at a later date.

9. ***ANTICIPATED ABNORMAL PRESSURE OR TEMPERATURE:***

The anticipated bottom hole pressure is 1800 psi. It is not anticipated that abnormal temperatures will be encountered; nor that any other abnormal hazards such as H2S will be encountered in this area.

10. ***ANTICIPATED STARTING DATE AN D DURATION OF THE OPERATIONS:***

It is anticipated that the drilling operations will commence April 1996 and take approximately 8 days to drill.

INLAND PRODUCTION COMPANY
SUNDANCE STATE #3-32
NE/NW SEC. 32, T8S, R18E
UINTAH COUNTY, UTAH

THIRTEEN POINT WELL PROGRAM

1. EXISTING ROADS

See attached Topographic Map "A"

To reach Inland Production Company well location site Sundance #3-32 located in the NE 1/4 NW1/4 Section 32, T8S, R18E, S.L.B. & M. Uintah County, Utah:

Proceed westerly out of Myton, Utah along Highway 40 - 1.6 miles ± to the junction of this highway and Utah State Highway 53; proceed southerly along Utah State Highway 53 - 9.6 miles to its junction with Utah State Highway 216; proceed southerly along State Highway 216 - 1.9 miles to its junction with an existing dirt road to the southeast; proceed southeasterly along this road 5.4 miles to its junction with an existing dirt road to the northeast; proceed northeasterly along this road 3.2 miles to its intersection with an existing dirt road to the west. Proceed westerly along this road 5.6 miles to its intersection with the beginning of the proposed access road, to be discussed in Item #2.

The highways mentioned in the foregoing paragraph are bituminous surfaced roads to the point where Highway 216 exists to the South, thereafter the roads are constructed with existing materials and gravel. The highways are maintained by Utah State road crews. All other roads are maintained by County Crews.

The aforementioned dirt oilfield service roads and other roads in the vicinity are constructed out of existing native materials that are prevalent to the existing area they are located in and range from clays to a sandy-clay shale material.

The roads required for access during the drilling, completion and production phase will be maintained at the standards required by the State or other controlling agencies. This maintenance will consist of some minor grader work for smoothing road surfaces and for snow removal.

2. PLANNED ACCESS ROAD

See Topographic Map "B".

The planned access road leaves the existing location described in Item #1 in the SW 1/4 NE 1/4 Section 32, T8S, R18E, S.L.B. & M., and proceeds in a Northeasterly direction approximately .1 miles ± to the proposed location site.

The proposed access road will be an 18' crown road (9' either side of the centerline) with drainage ditches along either side of the proposed road whether it is determined necessary in order to handle any run-off from normal meteorological conditions that are prevalent to this area.

There are no culverts required along this access road. There will be barrow ditches and turnouts as needed along this road.

There are no fences encountered along this proposed road. There are no new gates or cattle guards required.

All construction material for this access road will be borrowed material accumulated during construction of the access road.

3. *LOCATION OF EXISTING WELLS*

There is one (1) producing Inland Production Co. oil wells, six (6) producing, and two (2) P&A, Dalen Oil Wells, within a one (1) mile radius of this location.
See exhibit "D".

4. *LOCATION OF EXISTING AND/OR PROPOSED FACILITIES*

There are no existing facilities that will be used by this well.

It is anticipated that this well will be a producing oil well.

Upon construction of a tank battery the well pad will be surrounded by a dike of sufficient capacity to contain at minimum the entire contests of the largest tank within the facility battery.

Tank batteries will be placed on a per Sundry Notice if the well is completed as a producer.

5. *LOCATION AND TYPE OF WATER SUPPLY*

At the present time, it is anticipated that the water for this well will be trucked from our pre-approved Inland Production Company fresh water supply line, located at the Gilsonite State #7-32 (SW/NE Sec. 32, T8S, R17E) location as indicated on Topographic Map - Exhibit "C"

In the event this water source is not used an alternate source will be used and all the necessary arrangements will be made with the proper authorities.

There will be no water well drilled at this site.

6. *SOURCE OF CONSTRUCTION MATERIALS*

See Location Layout Sheet - Exhibit "E".

All construction material for this location shall be borrowed material accumulated during construction of the location site and access road. (Pit lining material is referred to in Item #7.)

A mineral material application is not required for this location.

7. *METHODS FOR HANDLING WASTE DISPOSAL*

See Location Layout Sheet - Exhibit "E".

If a reserve pit is used, it will be constructed and lined with a plastic nylon reinforced line so as not to leak, break, or allow discharge. It will be a minimum of 12 mil thickness with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit wall and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed on in the pit.

After first production, produced water will be confined to a pit or storage tank for a period not to exceed one hundred twenty (120) days. During the one hundred twenty (120) day period, in accordance with the Onshore Order #7, an application for approval of permanent disposal method and location, along with required water analysis, shall be submitted for the Authorized Officers approval.

A portable toilet will be provided for human waste.

A trash basket will be provided for garbage (trash) and hauled away to an approved disposal site at the completion of the drilling activities.

8. *ANCILLARY FACILITIES*

There are no ancillary facilities planned for at the present time and none foreseen in the near future.

9. *WELL SITE LAYOUT*

See attached Location Layout Sheet - Exhibit "E".

The reserve pit will be located on the south between stakes 4 & 5.

No flare pit will be used on this location.

The stockpiled topsoil (first six (6) inches) will be stored on the west side, between stakes 7 & 8.

Access to the well pad will be from the southwest corner, between stakes 6 & 7.

The northeast and the southwest corners will be rounded, to avoid excess fill and drainage.

Fencing Requirements

All pits will be fenced according to the following minimum standards:

a) 39 inch net wire shall be used with at least one strand of barbed wire on top of the net.

b) The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least forty-two (42) inches.

c) Corner posts shall be cemented and/or braced in such a manner to keep tight at all times.

d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen (16) feet.

e) All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three (3) sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. PLANS FOR RESTORATION OF SURFACE

a) *Producing Location*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, material, trash and junk not required for production.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before back filling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be re contoured to the approximated natural contours. The reserve pit will be reclaimed within one hundred twenty (120) days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons, all cans, barrels, pipe, etc., removed.

When the drilling and completion phase ends, reclamation of unused disturbed areas on the well pad/access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer. The seed mixture will be per State specifications, and stated in the conditions of approval.

b) *Dry Hole Abandoned Location*

At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and the State will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP - State of Utah

12. OTHER ADDITIONAL INFORMATION

a) Inland Production Company is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, Inland is to immediately stop work that might further disturb such materials, and contact the Authorized Officer.

b) Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on State Lands after the conclusion of drilling operations or at any other time without State authorization. However, if State authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.

The Archaeological Report will be submitted to the State Office, as soon as it becomes available.

Additional Surface Stipulations

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws and regulations. Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. Inland Production is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A complete copy of the approved APD, if applicable, shall be on location during the construction of the location and drilling activities.

Inland Production Company or a contractor employed by Inland Production shall contact the State office at (801) 722-3417, 48 hours prior to construction activities.

The State office shall be notified upon site completion prior to moving on the drilling rig.

13. *LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION*

Representative

Name: Brad Mecham

Address: P.O. Box 1446 Roosevelt, Utah 84066

Telephone: (801) 722-5103

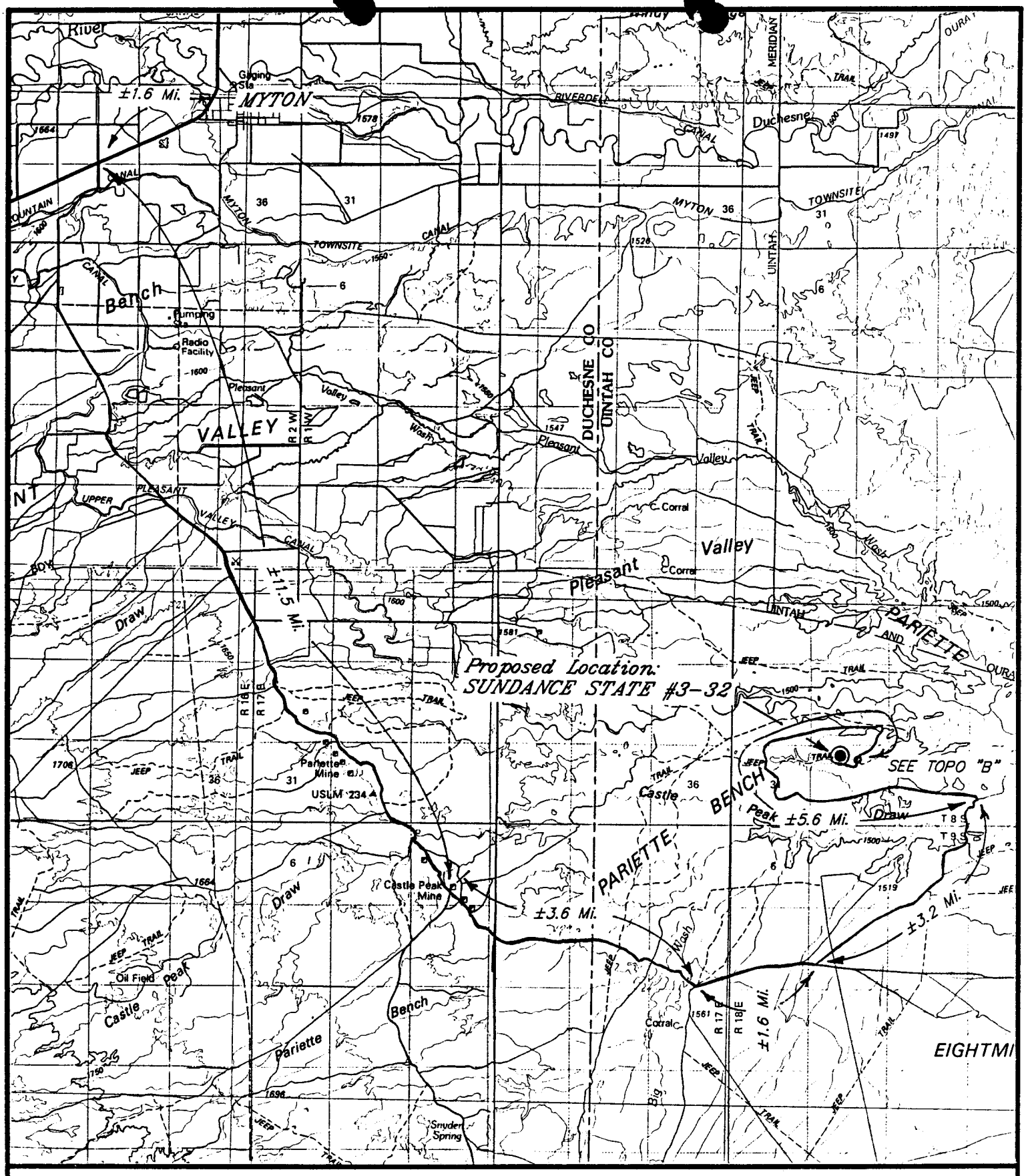
Certification

Please be advised that INLAND PRODUCTION COMPANY is considered to be the operator of Well #3-32 NE/NW Section 32, Township 8S, Range 18E: Lease #ML-22058 Unit Uintah County, Utah: and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Hartford Accident #4488944.

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and that the work associated with the operations proposed here will be performed by Inland Production Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

2-21-96
Date

Brad Mecham
Brad Mecham
Operations Manager

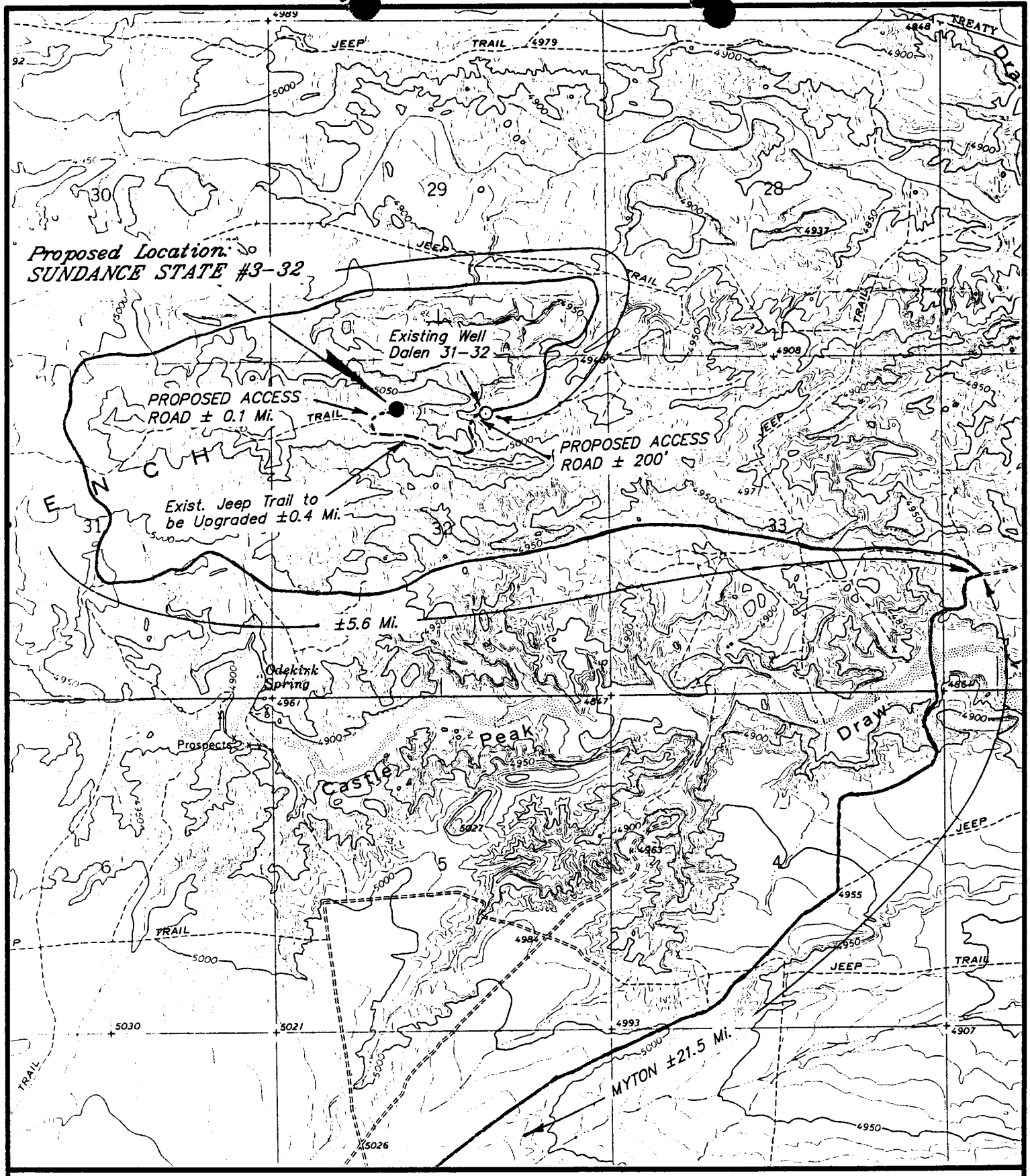


INLAND PRODUCTION COMPANY

SUNDANCE STATE #3-32
SEC. 32, T8S, R18E, S.L.B.&M.
TOPO "A"

N

Tri State
Land Surveying. Inc.
(801) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078



INLAND PRODUCTION COMPANY

SUNDANCE STATE #3-32
SEC. 32, T8S, R18E, S.L.B.&M.
TOPO "B"

N

SCALE: 1" = 2000'

Tri State
Land Surveying. Inc.
(801) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078

EXHIBIT "D"

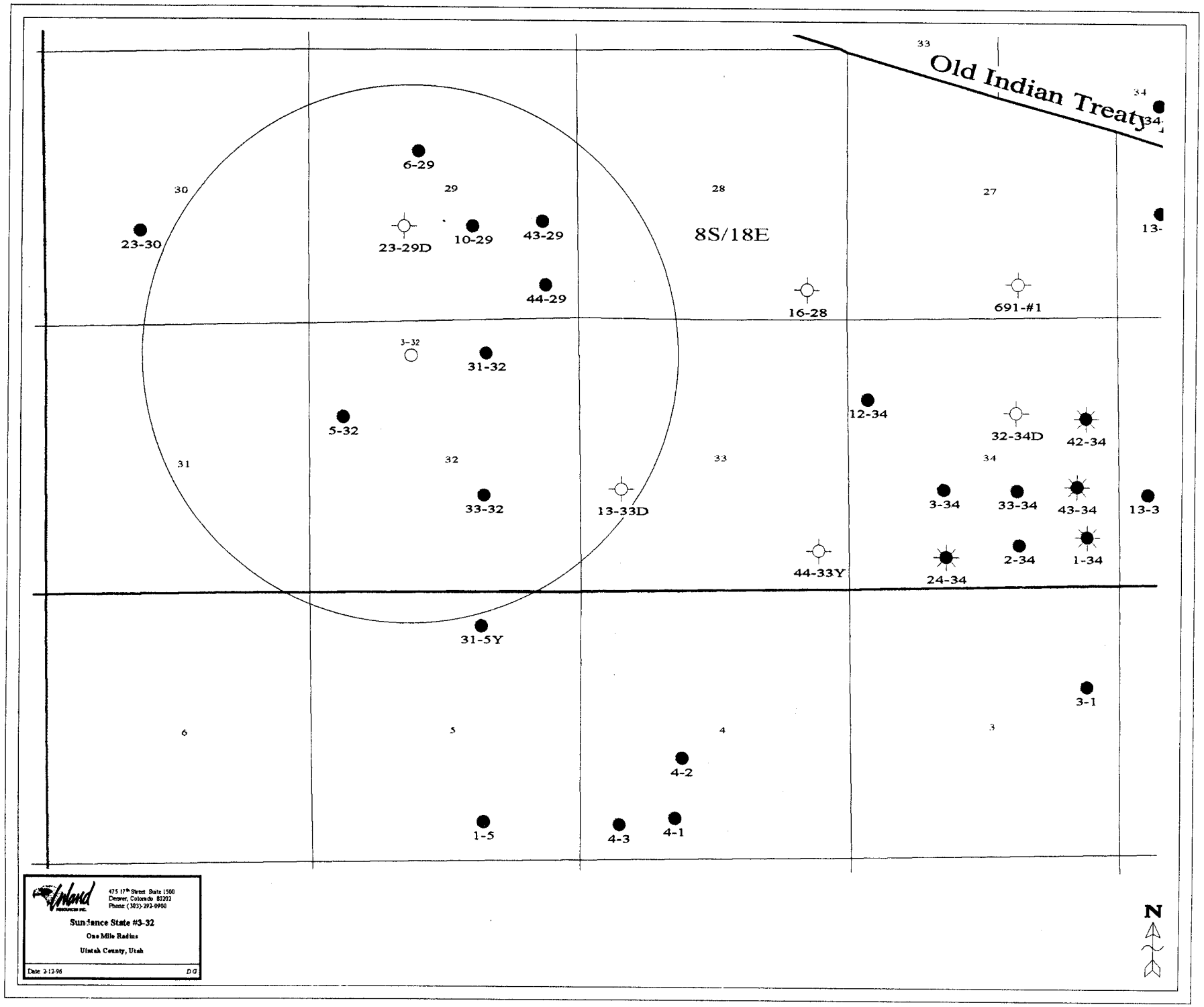
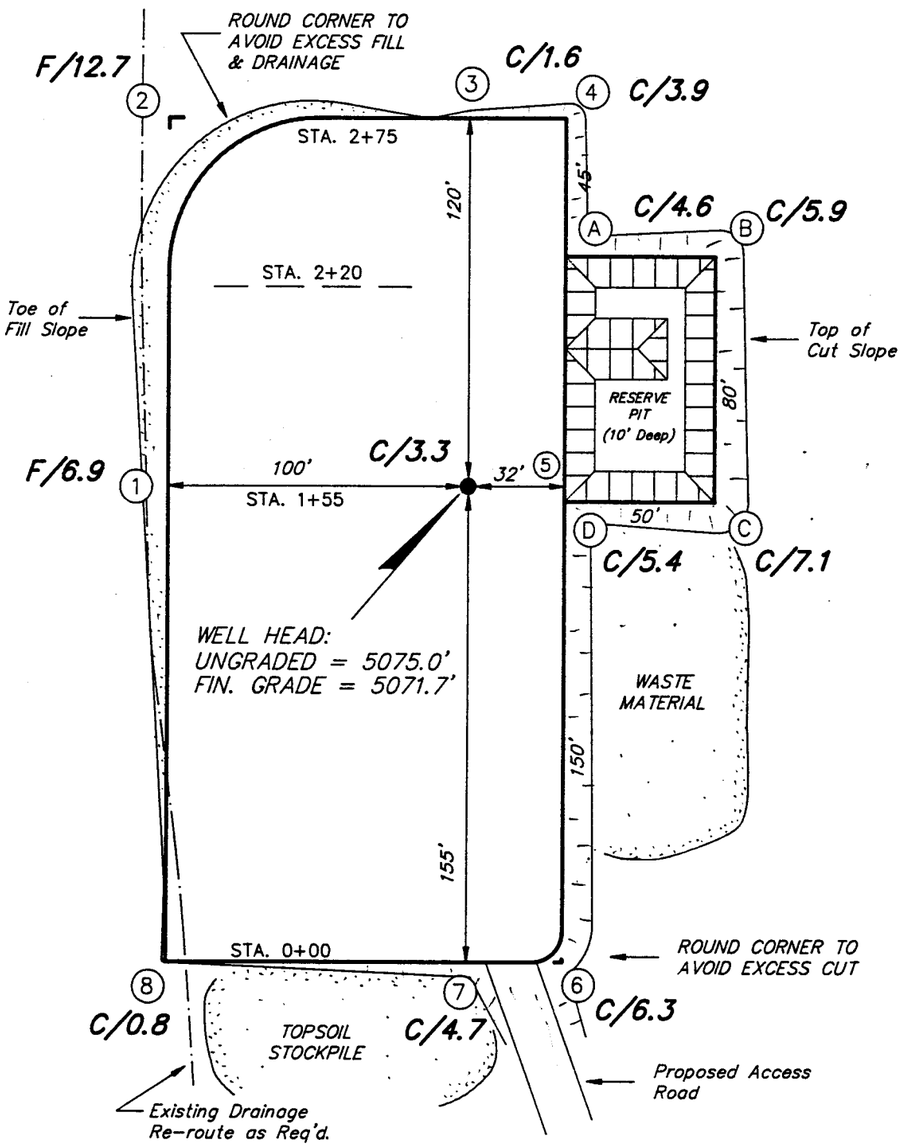
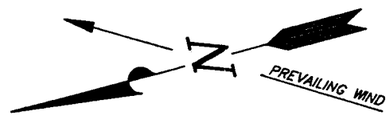

Old Indian Treaty
8S/18E
33
34
30
29
28
27
6-29
23-30
23-29D
10-29
43-29
44-29
16-28
691-#1
13-
3-32
31-32
5-32
12-34
32-34D
42-34
31
32
33
34
33-32
13-33D
3-34
33-34
43-34
13-3
44-33Y
2-34
1-34
24-34
31-5Y
3-1
6
5
4
3
4-2
1-5
4-3
4-1
N
Inland Resources Inc.
475 17th Street Suite 1500
Denver, Colorado 80202
Phone: (303)-292-0900
Sunflance State #3-32
One Mile Radius
Uintah County, Utah
Date: 2-12-96
D.G.

EXHIBIT "E"

INLAND PRODUCTION COMPANY

SUNDANCE STATE #3-32
SEC. 32, T8S, R18E, S.L.B.&M.





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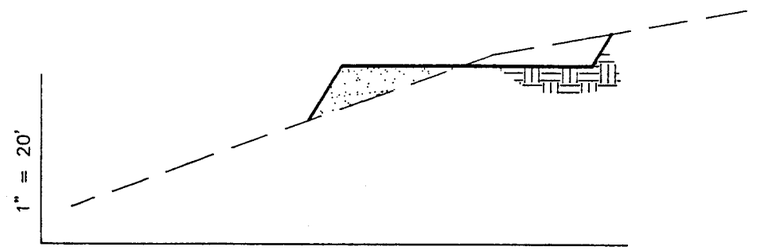
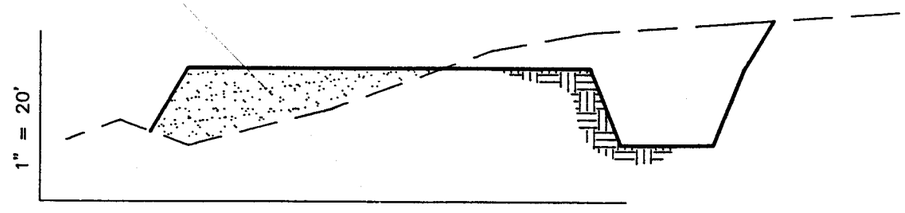
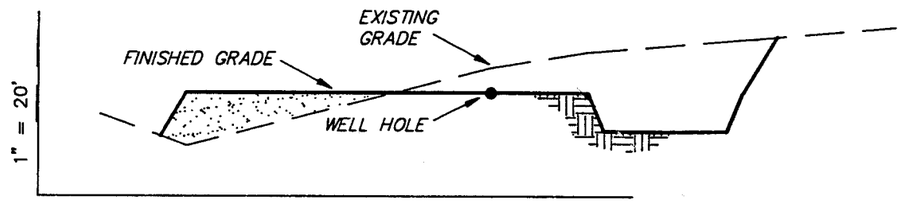
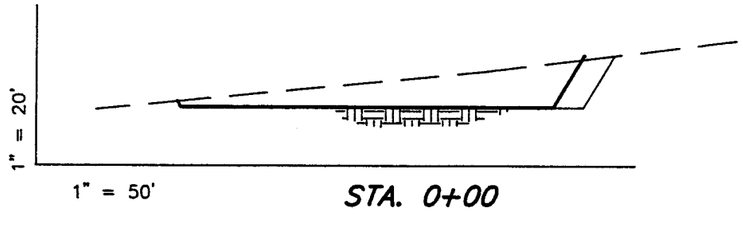








REFERENCE POINTS

170' EAST = 5072.8'
220' EAST = 5071.3'
150' NORTH = 5072.0'
175' NORTH = 5069.3'

APPROXIMATE YARDAGES

CUT = 2,990 Cu. Yds.
FILL = 2,990 Cu. Yds.
PIT = 1,060 Cu. Yds.
6" TOPSOIL = 750 Cu. Yds.

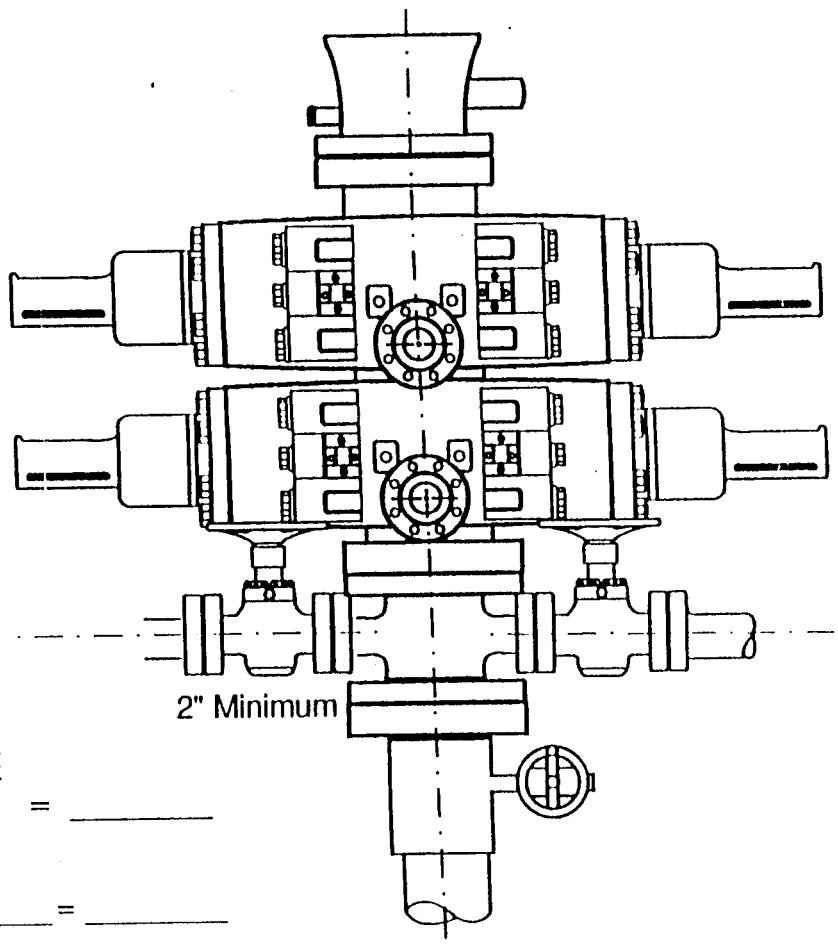
SURVEYED BY: S.S.	
DRAWN BY: J.R.S.	
DATE: 2-13-96	
SCALE: 1" = 50'	
FILE:	

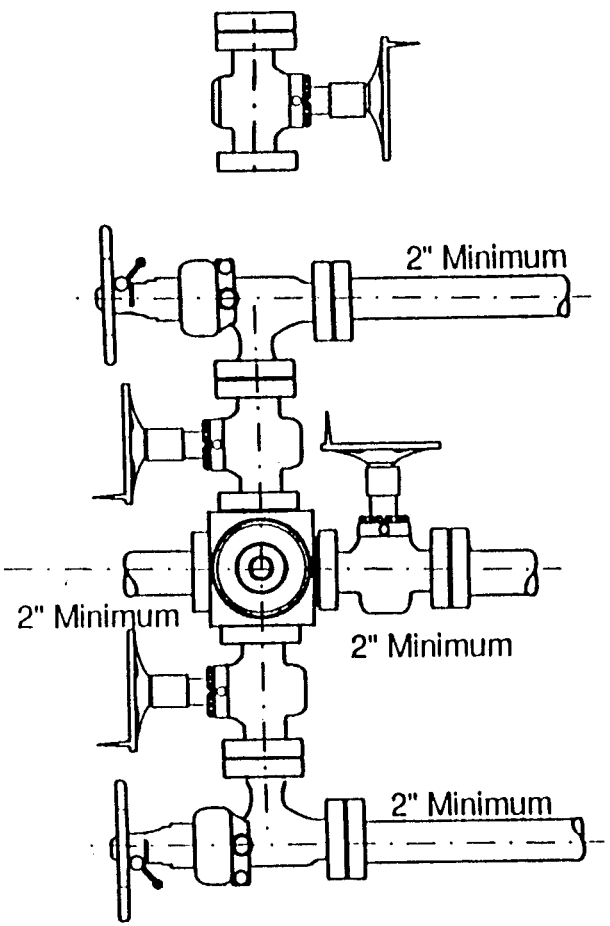
Tri State
Land Surveying. Inc.
(801) 781-2501
38 WEST 100 NORTH VERNAL, UTAH 84078

RAM TYPE B.O.P.
Make:
Size:
Model:

2-M SYSTEM

EXHIBIT F





GAL TO CLOSE
Annular BOP = _____
Ramtype BOP
____Rams x _____ = _____
= _____Gal.

_____ x 2 = _____ Total Gal.

Rounding off to the next higher
increment of 10 gal. would require
_____ Gal. (total fluid & nitro volume)

FAX COVER SHEET
INLAND PRODUCTION COMPANY
P.O. BOX 1446
ROOSEVELT, UTAH 84066
TELEPHONE (801) 722-5103
FAX (801) 722-2578

TO: Mike Hebertson
COMPANY: State of Utah
FAX:
FROM: Cheryl
DATE: 3/6
NUMBER OF PAGES - INCLUDING FACSIMILE COVER SHEET: 8

REMARKS: Arch Report on Sundance State 1-32 & 3-32

A CULTURAL RESOURCES SURVEY OF SUNDANCE STATE WELLS #1-32 AND #3-32 AND ACCESS ROADS, UINTAH COUNTY, UTAH

by

Heather M. Weymouth
Senior Archaeologist

and

Lynita S. Langley
Archaeologist

Prepared for:

Inland Production Company
P.O. Box 1446
Roosevelt, Utah 84066

Prepared by:

Sagebrush Archaeological Consultants, L.L.C.
3670 Quincy Avenue, Suite 203
Ogden, Utah 84403

Under Authority of Utah State Antiquities Permit No. U-96-SJ-0080s

Archaeological Report No. 849-01

February 29, 1996

INTRODUCTION

In December 1995, Inland Production Company (Inland) of Roosevelt, Utah requested that Sagebrush Archaeological Consultants, L.L.C. (Sagebrush) conduct a cultural resources inventory of Sundance State wells #1-32 (660' FNL 660' FEL) and #3-32 (1955' FWL 767' FNL) and accompanying access roads located on lands controlled by the State of Utah in Uintah County, Utah (Figure 1).

The proposed wells are located in T. 8S., R. 18E., S. 32 on USGS 7.5' Quadrangle Pariette SW, Utah (1964). The project was carried out by Heather M. Weymouth and Lynita S. Langley on February 19-20, 1996 under authority of Cultural Resources Use Permit No. 95UT54630 and Utah State Antiquities Permit No. U-95-SJ-0080s.

A file search for previously recorded cultural resource sites and paleontological localities located near the current project area was conducted by the Heather M. Weymouth and Lynita S. Langley on February 23, 1996 at the Bureau of Land Management, Vernal District Office to determine if any cultural resource projects had been conducted or sites recorded in or near the current project area. An additional file search was conducted by the Michael R. Polk at the Division of State History, Utah State Historic Preservation Office, Salt Lake City on February 21, 1996.

More than 20 previous cultural resources projects have been conducted in the area of the current project. Due to the large number of projects conducted in this area, individual project descriptions will not be listed. However, seven cultural resources sites and a number of paleontological localities are listed as being located near the current project area. Following is a brief description of these sites and localities:

Cultural Resource Sites

Site 42Un556. This site, located on the west face of Castle Peak Draw just below Odekirk Springs, is a prehistoric sandstone rock shelter with historic and modern graffiti. Artifacts noted include lithic flakes, bailing wire, charcoal and an iron spike. This site may have been previously recorded as 42Un514. The site has a potential for depth and was recommended ELIGIBLE to the NRHP.

Site 42Un1237. This site, located approximately 18 miles southwest of Myton on the north side of the road, consists of a small lithic scatter of mostly chert. The site was recommended NOT eligible to the NRHP.

Site 42Un1448. This site, located on a north facing slope overlooking an unnamed tributary to Pariette Draw, is a sparse lithic scatter. This site was recommended NOT eligible to the NRHP.

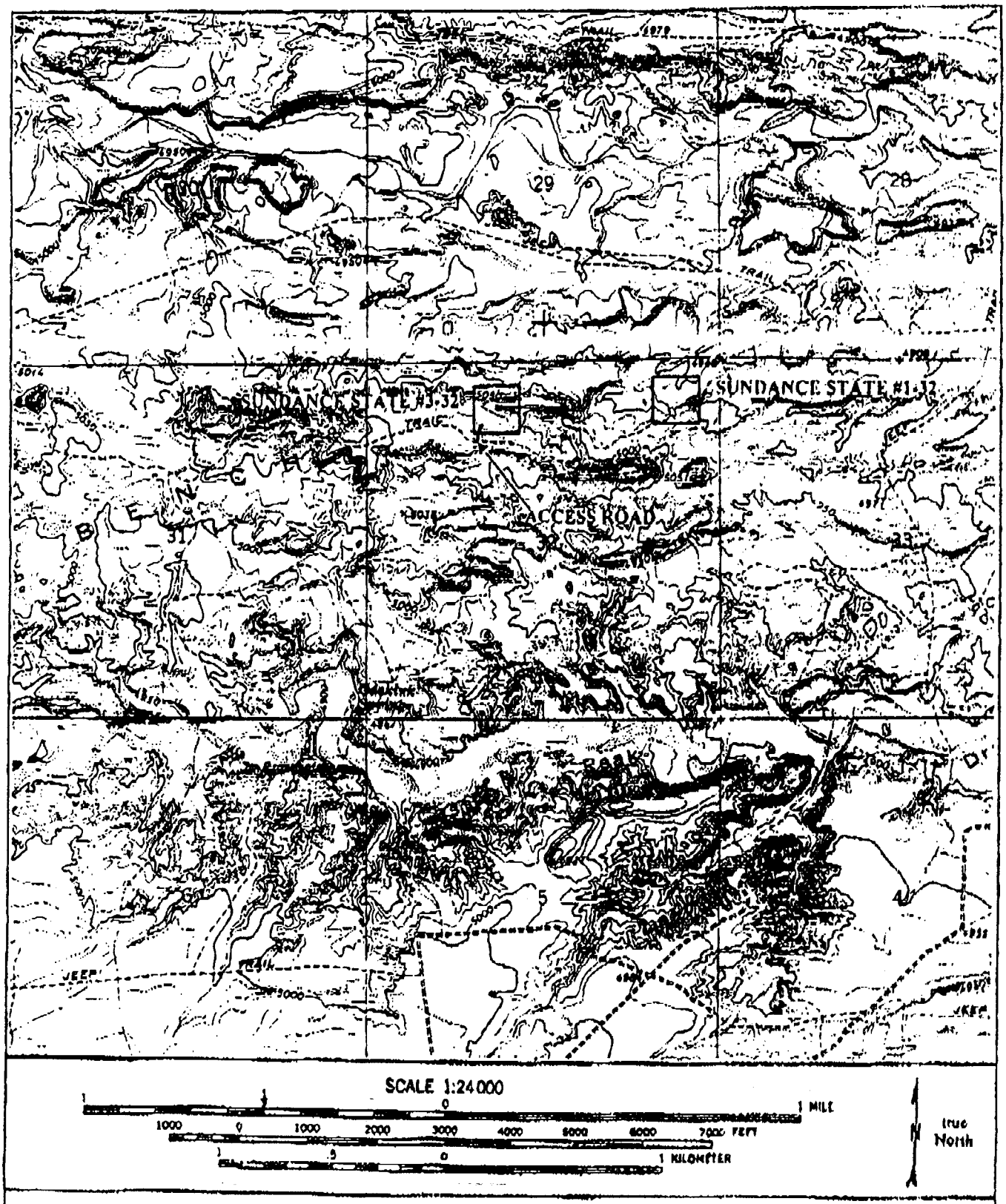


Figure 1. Location of Inland Resources Corporation's Sundance State Wells #1-32 and #3-32 and access road. Taken from USGS 7.5' Quadrangle Pariette Draw SW, Utah (1964).

Site 42Un1449. This site, located on a north facing slope overlooking an unnamed tributary to Pariette Draw, consists of scattered hearth remnants eroding from a sand dune. This site was recommended NOT eligible to the NRHP.

Site 42Un1450. This site, located on a north facing slope overlooking an unnamed tributary to Pariette Draw, consists of a sparse lithic scatter. This site was recommended NOT eligible to the NRHP.

Site 42Un1526. This site, located on a dune/desert pavement area in Pariette Draw, is a prehistoric campsite. Artifacts consist of a tool and lithic scatter with associated FCR. This site was recommended ELIGIBLE to the NRHP.

Site 42Un2099. This site, located on a low south-east facing sandstone bench overlooking a drainage, is a sparse lithic scatter with one crude chert biface and a fire altered rock scatter. This site was recommended NOT eligible to the NRHP.

Paleontological Localities

Locality 42Un357V. This locality situated on a small irregular shaped mesa near Pariette Draw, is located in the Uinta Formation of the Upper Eocene deposits and consists of turtle shell fragments.

Locality 42Un358V. This locality, located on a low mudstone knoll situated in a small canyon of an unnamed tributary of Pariette Draw, is found in the Uinta Formation of the Upper Eocene deposits and contains turtle fragments.

In addition to these searches, the National Register of Historic Places (NRHP) was consulted prior to conducting the survey. No NRHP listed or determined eligible sites were found to be in the vicinity of the current project area.

ENVIRONMENT

The well pads surveyed during this project lie approximately 15 miles south of Fort Duchesne, Utah near Pariette Draw. The well pads and access roads lie in an area of low rolling tablelands dissected by deep drainages and low eroding bedrock outcrops of sandstone and limestone. The surface sediments consist of an interfingering of fluvial deposits and thinly bedded Pleistocene lake bed deposits. Soils in these areas are poorly developed and extremely sandy in nature. Sediments consist of very fine grained, buff colored sand which contains a moderate amount of Pleistocene gravels and angular rock fragments of quartzite, mudstone.

blocky chert, limestone and sandstone. The elevation of the areas surveyed ranges between 5010 and 5050 feet a.s.l. Vegetation in the area is predominantly shadscale community species. Noted species include prickly pear cactus, ricegrass, greasewood, gray rabbitbrush, spiny horsebrush, desert buckwheat, bladderpod, spiny hopsage, Riddell groundsel and various other desert species. The nearest permanent water sources in the area are Pariette Draw and an unnamed tributary to Pariette Draw located to the north and east approximately one-half to one mile from the project area. Cultural disturbance in the project area, includes grazing, pre-existing well pad locations and a number of access roads leading to the well locations.

METHODOLOGY

The project area consists of two 40,469 m² (10 acre) parcels of land (201-by-201 m [660-by-660 ft]) centered on the proposed well heads and access roads connecting the well locations to pre-existing access roads. The well pads were inventoried by Heather M. Weymouth and Lynita S. Langley walking parallel transects spaced no more than 15 m apart. The well pad access roads, which totaled 40 m (120 ft) in length (outside of the 10 acre parcel), were walked in two parallel transects spaced 10 m (33 ft) apart to cover a corridor width of 30 m (100 ft) each. The total area surveyed during this project totaled 82,030 m² (20.27 acres).

RESULTS

A single prehistoric isolated artifact (IF-1) was located during survey of the Sundance State 1-32 well pad location. No cultural resources sites nor paleontological localities were found as a result of this inventory.

IF-1

IF-1, located in a washed out area approximately 76 m (250 ft) southeast of the proposed centerstake, consists of a single tertiary flake of a white chalcedony material. The flake measures 2.1 cm long by 1.5 cm wide by 0.3 cm thick. No other cultural material was noted at this location.

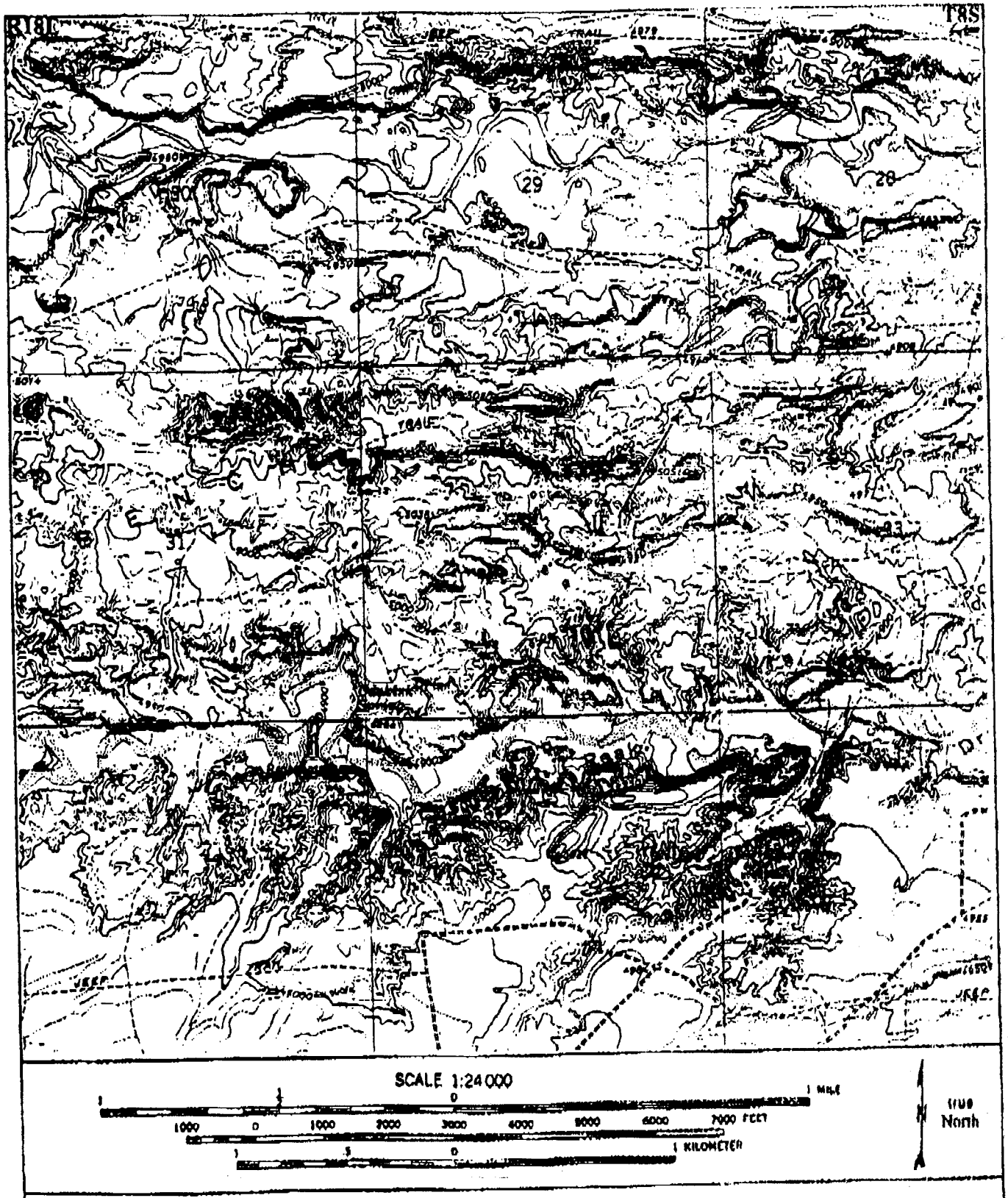


Figure 2. Location of IF-1 located during survey of Inland Resources Corporation's Sundance State Well #1-32. Taken from USGS 7.5' Quadrangle Pariette Draw SW, Utah (1964).

RECOMMENDATIONS

Since there were no significant cultural resources nor paleontological resources found, cultural and paleontological clearance is recommended for the proposed project.

This investigation was conducted with techniques which are considered to be adequate for evaluating cultural and paleontological resources which could be adversely affected by the project. However, should such resources be discovered during construction, a report should be made immediately to Blaine Phillips, Archaeologist, at Bureau of Land Management in Vernal, Utah.

FORM 3

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number: ML-22058

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

6. If Indian, Allottee or Tribe Name:

1A. Type of Work: DRILL [X] DEEPEN [ ]

7. Unit Agreement Name:

B. Type of Well: OIL [X] GAS [ ] OTHER: SINGLE ZONE [ ] MULTIPLE ZONE [ ]

8. Farm or Lease Name: Sundance State

2. Name of Operator: Inland Production Company

9. Well Number: #3-32

3. Address and Telephone Number: P.O. Box 1446 Roosevelt, UT 84066

10. Field and Pool, or Wildcat:

4. Location of Well (Footages)
At Surface: 769.9' FNL & 1955.6' FWL
At Proposed Producing Zone:

11. Qtr/Qtr, Section, Township, Range, Meridian: NE/NW Sec. 32, T8S, R18E

14. Distance in miles and direction from nearest town or post office: 21.5 miles southeast of Myton, Utah

12. County: Uintah

13. State: UTAH

15. Distance to nearest property or lease line (feet): 2664.4'	16. Number of acres in lease: 640	17. Number of acres assigned to this well: 40
18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): 769.9'	19. Proposed Depth: 6500'	20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 5071.7' GR

22. Approximate date work will start: 2nd Quarter 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24#	300'	120 sx Class G+2% CaCl+2% Gel
7 7/8	5 1/2	15.5#	TD	400 sx Hilift followed by
				330 sx Class G w/ 10% CaCl

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

The actual cement volumes will be calculated off of the open hole logs, plus 15% excess.

24.

Name & Signature: Brad Mecham Brad Mecham Title: Operations Manager Date: 2/20/96

(This space for State use only)

API Number Assigned: 43-047-32741

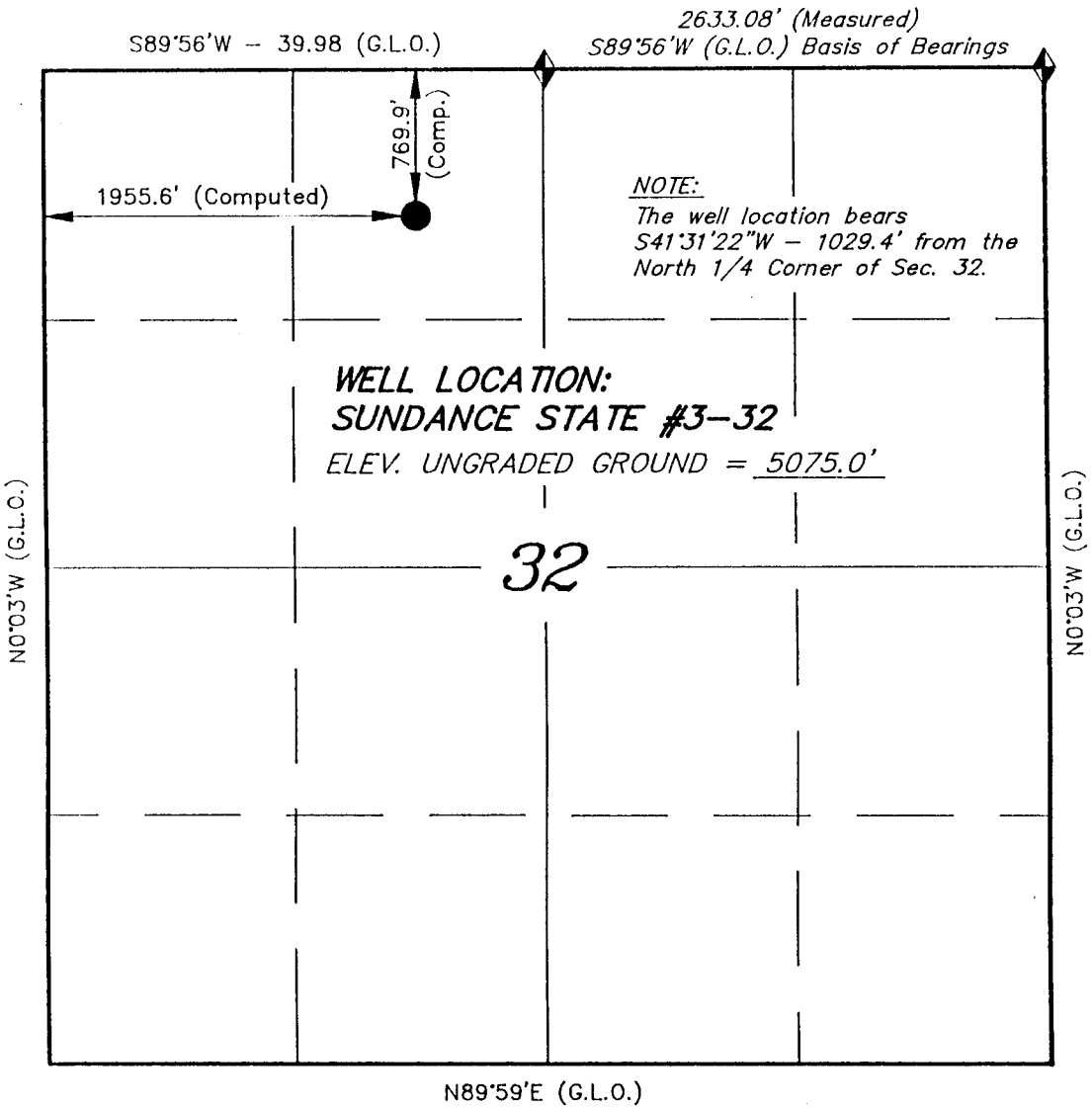
Approval:

J.R. Matthews Petroleum Engineer 3/4/96

(See Instructions on Reverse Side)

(1\93)

T8S, R18E, S.L.B.&M.



INLAND PRODUCTION COMPANY

WELL LOCATION, SUNDANCE STATE #3-32,
LOCATED AS SHOWN IN THE NE 1/4 NW 1/4
OF SECTION 32, T8S, R18E, S.L.B.&M.
UINTAH COUNTY, UTAH.

N

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION, AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
No. 189377
STACY W. STEWART
STATE OF UTAH

REGISTERED LAND SURVEYOR
REGISTRATION No. 189377
STATE OF UTAH

= SECTION CORNERS LOCATED

BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (PARIETTE DRAW SW)

TRI STATE LAND SURVEYING & CONSULTING
38 WEST 100 NORTH – VERNAL, UTAH 84078
(801) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: S.S.
DATE: 2-13-96	WEATHER: COOL
NOTES:	FILE #

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

March 4, 1996

Inland Production Company
P.O. Box 1446
Roosevelt, Utah 84066

Re: Sundance State #3-32 Well, 770' FNL, 1956' FWL, NE NW, Sec. 32, T. 8 S., R. 18 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32741.

Sincerely,

R. J. Firth
Associate Director

lwp
Enclosures
cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office
WAPD

Operator: Inland Production Company

Well Name & Number: Sundance State #3-32

API Number: 43-047-32741

Lease: ML-22058

Location: NE NW **Sec.** 32 **T.** 8 S. **R.** 18 E.

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

   Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5340.

   Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews or Mike Hebertson at (801)538-5340.

3. Reporting Requirements

   All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. On-site Predrill Evaluation and Review

   Compliance with all requirements and stipulations developed during the onsite evaluation and review.

State of Utah
Division of Oil, Gas & Mining (OGM)

ON-SITE PREDRILL EVALUATION AND REVIEW FOR APPLICATION FOR PERMIT TO DRILL (APD)

OPERATOR: Inland Production Company			
WELL NO: Sundance State 3-32		LEASE NO: ML- 22058	
API No: 43-047-32741		LEASE TYPE: State [X] Fee [ ]	
PROPOSED LOCATION			
¼/¼: NE NW	SECTION: 32	TOWNSHIP: 8 S	RANGE: 18 E
COUNTY: UINTAH		FIELD: Eight Mile Flat North	
SURFACE: 769 FNL 1955 FEL			
BOTTOM HOLE: Same As Above			
GPS COORDINATES: 12592165 E 4436960 N			
SURFACE OWNER: State of Utah			
SURFACE AGREEMENT: Yes [X] No [ ]		CONFIDENTIAL: Yes [ ] No [ ]	

LOCATING AND SITING:

[ ]	UAC R649-2-3.	Unit [ ]
[X]	UAC R649-3-2. General	
[ ]	UAC R649-3-3. Exception	
[ ]	UCA 40-6-6. Drilling Unit --	Cause No. [ ]

DRILLING PROGRAM:

The following information is included in the Application for Permit to Drill submitted.

1. Surface Formation and Estimated Tops/Geologic Markers

2. Estimated Depths and Names of Anticipated Water, Oil, Gas or other Mineral Bearing Formations

   (All fresh water sands encountered during drilling shall be recorded and reported to the Division on Form 7.)

3. Well Control Equipment & Testing Procedures

4. Proposed Casing and Cementing Program

5. Mud Program, Circulating Medium, and Monitoring equipment

6. Coring, Testing, and Logging Program

7. Expected Bottom Hole Pressures and any anticipated Abnormal Pressures, Temperatures or Potential Hazards such as hydrogen sulfide, expectations and contingency plans for mitigating identified hazards

8. Any other information relative to the proposed operation.

Onsite Participants:

TOM LEACHFIELD (DWR), BRAD MECHAM (INLAND), DAVID HACKFORD AND DENNIS INGRAM (DOGM).

Regional Setting/Topography:

SEMI-DESERT HABITAT. SITE IS IN AN AREA OF ROLLING HILLS, ON TOP OF A ROUNDED KNOLL SLOPING GRADUALLY IN ALL DIRECTIONS.

SURFACE USE PLAN:

Current Surface Use: DOMESTIC LIVESTOCK AND WILDLIFE GRAZING.

Proposed Surface Disturbance: 275' BY 182'.

1. Existing Roads A DIRT OILFIELD SERVICE ROAD IS 1200' EAST OF SITE.

2. Planned Access Roads - include length of new road, length of existing road to be upgraded, maximum disturbed and travel surface widths, maximum grades, turnouts, surface materials, drainage, cattleguards 0.1 MILES OF NEW ROAD PLUS 0.4 MILES OF UPGRADED ROAD WILL BE REQUIRED. BOTH WILL BE 18' CROWN ROAD WITH DRAINAGE DITCHES ALONG EITHER SIDE.

3. Location of existing wells within one-mile radius of proposed location, include water, injection, producing, drilling with present status of each well SEE ATTACHED MAP FROM THE GIS DATABASE.

4. Location of Production Facilities and Pipelines PRODUCTION FACILITIES WILL BE ON LOCATION.

5. Location and Type of Water Supply (include Division of Water Rights approval or identifying number) WATER WILL BE SUPPLIED BY TRUCK TO THE LOCATION WHILE DRILLING OPERATIONS ARE UNDERWAY.

6. Source of Construction Material MATERIALS WILL BE BORROWED FROM LOCATION SPOIL.

7. Waste Management Plan A MANAGEMENT PLAN FOR WASTE DISPOSAL HAS BEEN SUBMITTED TO DOGM.

8. Ancillary Facilities NONE WILL BE REQUIRED.

9. Well Site Layout SEE ATTACHED PLAT.

10. Surface Restoration Plans AS REQUIRED BY STATE LANDS.

ENVIRONMENTAL PARAMETERS:

Affected Floodplain and/or Wetlands:

A 404 dredge and fill permit may be required if this site is in or adjacent to a wetland or other established drainage or floodplain. (Contact the Army Corps of Engineers if there are concerns of this nature) NO.

Flora/Fauna:

Briefly describe the flora found on the proposed site and the fauna evidenced or sighted on or near the proposed location VEGATATION COVER CONSISTS OF SHADSCALE COMMUNITY SPECIES, PREDOMINATELY GREASEWOOD, CHEATGRASS AND SALTBRUSH. ANTELOPE, COYOTE, RABBIT, SMALL BIRDS, RAPTORS, LAZARDS AND OTHER SMALL REPTILES.

SURFACE GEOLOGY

Soil Type and Characteristics: LIGHT BROWN SANDY CLAY WITH SOME LOAM.

Surface Formation & Characteristics: UINTAH FORMATION, SOUTH FLANK OF UINTAH MOUNTAINS.

Erosion/Sedimentation/Stability: MINOR EROSION, MINOR SEDIMENTATION, NO STABILITY PROBLEMS ANTICIPATED.

Paleontological Potential Observed: NONE OBSERVED.

RESERVE PIT

Characteristics: 50' BY 80' AND 10' DEEP.

Lining (Site ranking form attached): A 12 MIL PLASTIC LINER WILL BE REQUIRED.

OTHER OBSERVATIONS

Cultural Resources/Archaeology (if proposed location is on State land, has an archaeology clearance been obtained?): AN ARCHAEOLOGY SURVEY HAS BEEN COMPLETED BY SAGEBRUSH ARCHAEOLOGICAL CONSULTANTS, LLC.

Comments: PRE-SITE WAS PERFORMED ON A COLD DAY WITH ONLY SMALL PATCHES OF SNOW COVER.

DAVID W. HACKFORD — 2/28/96 9:00 AM

OGM Representative — **Date and Time**

STATEMENTS OF BASIS

OGM Review of Application for Permit to Drill (APD)

Company: INLAND PRODUCTION CO. **Well Name:** SUNDANCE STATE #3-32

ENGINEERING/LOCATING and SITING:

The proposed location meets the location and siting requirements of R649-3-2. The application and proposed casing and drilling plan appear to be consistent with accepted industry standards of practice and sound engineering design. A casing design safety check is attached. Blow out prevention and monitoring/contingency plans are adequate.

Signature: F. R. Matthews **Date:** 03/04/96

GEOLOGY/GROUND WATER:

The base of moderately saline water is at a depth of approximately 300-400 feet in the area of the proposed well. Ground water may not occur in the shallow sands due to lack of recharge. The proposed casing and cement program will adequately protect any water encountered.

Signature: D. Jarvis **Date:** 3/4/96

SURFACE:

THE PRE-SITE INSPECTION OF THE SURFACE HAS BEEN PERFORMED BY FIELD PERSONNEL. ALL APPLICABLE MANAGEMENT AGENCIES AND LAND OWNERS HAVE BEEN NOTIFIED AND THEIR CONCERNS ACCOMODATED WHERE REASONABLE AND POSSIBLE.

Signature: DAVID W. HACKFORD **Date:** 2/28/96

STIPULATIONS for APD Approval:

1. A 12 MIL PIT LINER WILL BE REQUIRED IN RESERVE PIT. PIT MUST BE ON SOUTH SIDE OF LOCATION.
2. ANY CHANGES TO BE APPROVED BY DOGM.
3.
4.

ATTACHMENTS:

1. PHOTOGRAPHS OF SITE WILL BE PUT ON FILE.

Evaluation Ranking Criteria and Ranking Score

For Reserve and Onsite Pit Liner Requirements

Site-Specific Factors	Ranking Score	Final Ranking Score
Distance to Groundwater (feet)		0
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	
Distance to Surf. Water (feet)		0
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	
Distance to Nearest Municipal Well (feet)		0
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	
Distance to Other Wells (feet)		0
>1320	0	
300 to 1320	10	
<300	20	
Native Soil Type		20
Low permeability	0	
Mod. permeability	10	
High permeability	20	

Fluid Type Air/mist Fresh Water TDS >5000 and <10000 TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	 0 5 10 15 20	5
Drill Cuttings Normal Rock Salt or detrimental	 0 10	0
Annual Precipitation (inches) <10 10 to 20 >20	 0 5 10	0
Affected Populations <10 10 to 30 30 to 50 >50	 0 6 8 10	0
Presence of Nearby Utility Conduits Not Present Unknown Present	 0 10 15	0

Final Score	25

The summation of all of the above ranking scores will yield one value which shall be used to determine the appropriate type of containment, on a case-by-case basis. The sensitivity levels are as follows:

Level I Sensitivity: For scores totaling $\geq$20
Level II Sensitivity: For scores totaling 15 to 19
Level III Sensitivity: For scores totaling <15

Containment Requirements According to Sensitivity Level

Level I: Requires total containment by synthetic liner, concrete structure or other type of total containment structure or material.

Level II: Bentonite or other compatible lining is discretionary depending on the fluid to be contained and environmental sensitivity.

Level III: No specific lining requirements.

OTHER GUIDELINES FOR PITS

1. Unlined pits shall not be constructed on areas of fill materials.

2. A pit shall not be constructed in a drainages or floodplain of flowing or intermittent streams.

3. Synthetic liners used for lining reserve pits, shall be of 12 mil thickness or greater and shall be compatible with the fluid to be contained. Synthetic liners used for lining onsite pits with a longer expected life shall be a minimum of 30 mil thickness or as approved by the Division.

4. Synthetic liners shall be installed over smooth fill material which is free of pockets, loose rocks or other materials which could damage the liner.

5. Monitoring systems for pits or closed mud systems may be required for drilling in sensitive areas.

STATE OF UTAH, DIV OF OIL, GAS & MINERALS

Operator: INLAND PRODUCTION CO	Well Name: SUNDANCE STATE 3-32
Project ID: 43-047-32741	Location: SEC. 32 - T08S - R18E

Design Parameters:

Mud weight (10.00 ppg) : 0.519 psi/ft
Shut in surface pressure : 2853 psi
Internal gradient (burst) : 0.081 psi/ft
Annular gradient (burst) : 0.000 psi/ft
Tensile load is determined using air weight
Service rating is "Sweet"

Design Factors:

Collapse	: 1.125	
Burst	: 1.00	
8 Round	: 1.80	(J)
Buttress	: 1.60	(J)
Other	: 1.50	(J)
Body Yield	: 1.50	(B)

	Length (feet)	Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost
1	6,500	5.500	15.50	J-55	LT&C	6,500	4.825	

	Collapse Load (psi)	Collapse Strgth (psi)	Collapse S.F.	Burst Load (psi)	Min Int Yield Strgth (psi)	Burst S.F.	Tension Load (kips)	Tension Strgth (kips)	Tension S.F.
1	3377	4040	1.196	3377	4810	1.42	100.75	217	2.15 J

Prepared by : MATTHEWS, Salt Lake City, Utah
Date : 03-04-1996
Remarks :

Minimum segment length for the 6,500 foot well is 1,500 feet.
SICP is based on the ideal gas law, a gas gravity of 0.75, and a mean gas temperature of 119°F (Surface 74°F , BHT 165°F & temp. gradient 1.400°/100 ft.)
String type: Production
The mud gradient and bottom hole pressures (for burst) are 0.519 psi/ft and 3,377 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - collapse (with evacuated casing), 1.0 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.
Costs for this design are based on a 1987 pricing model. (Version 1.07)

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: INLAND PRODUCTION CO.

Well Name: SUNDANCE STATE 3-32

Api No. 43-047-32741

Section 32 Township 8S Range 18E County UINTAH

Drilling Contractor

Rig #

SPUDDED:

Date 1/23/97

Time

How DRY HOLE

Drilling will commence

Reported by D. INGRAM

Telephone #

Date: 1/21/97 Signed: FRM

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
[X] Oil Well [ ] Gas well [ ] Other

2. Name of Operator
Inland Production Company

3. Address and Telephone No.
P.O. Box 790233 Vernal, Utah 84079 (801) 789-1866

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NW/NW
Sec. 32, T8S, R18E

5. Lease Designation and Serial No.
ML-22058

6. If Indian, Allottee or Tribe Name

7. If unit or CA. Agreement Designation

8. Well Name and No.
Sundance State 3-32

9. API Well No.
43-047-32741

10. Field and Pool, or Exploratory Area

11. County or Parish, State
Uintah, UT

12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
[ ] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
	[ ] Recompletion	[ ] New Construction
[X] Subsequent Report	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing repair	[ ] Water Shut-off
[ ] Final Abandonment Notice	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other ***Spud Notification***	[ ] Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Drilled 12 1/4" hole to 305' w/ Leon Ross Rathole Rig. Ran 295' of 8 5/8" 24# J-55 csg. Cmt w/ 150 sx Class H cmt w/ .2% CFR-3, .3% Halad 344, 3% KCL mixed @ 16.4 PPG W/ 1.06 ft/sk yield. RDMOL.

SPUD ON 1/27/97

RECEIVED
FEB 03 1997
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct
Signed ***Cheryl Cameron*** Title ***Regulatory Compliance Specialist*** Date ***1/30/97***

(This space of Federal or State office use.)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly to make to any department of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DIVISION OF OIL, GAS AND MINING

ENTITY ACTION FORM - FORM 6

OPERATOR Inland Production Co.

ADDRESS P.O. Box 790233
Vernal, UT 84078

OPERATOR ACCT. NO. N 5160

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION QQ	SC	TP	RG	COUNTY	SPUD DATE	EFFECTIVE DATE
A	99999	12059	43-047-32741	Sundance State #3-32	NENW	32	8S	18E	Uintah	1/27/97	1/27/97
WELL 1 COMMENTS: Entity added 1-29-97 fc											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)
- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

Cheryl Cameron
Signature

RCS
Title

1/29/97
Date

Phone No. (801) 789-1866

(3)

RECEIVED
FEB 04 1997
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
CEMENTING OPERATIONS

WELL NAME: SUNDANCE STATE 3-32 API NO: 43-047-32741
43-047-32741

QTR/QTR: NE/NW SECTION: 32 TOWNSHIP: 8S RANGE: 18E

COMPANY NAME: INLAND PRODUCTION CO COMPANY MAN: BRAD MECHAM

INSPECTOR: DAVID W. HACKFORD DATE: 1/28/97

CASING INFORMATION: SURFACE CASING: YES

SIZE: 8 5/8" GRADE: J-55 24LB HOLE SIZE: 12 1/4 DEPTH: 291'

PIPE CENTRALIZED: THREE (MIDDLE FIRST JOINT, COLLAR SECOND AND THIRD JOINT).

CEMENTING COMPANY: HALLIBURTON (CHAPMAN)

CEMENTING STAGES: SINGLE

SLURRY INFORMATION:

1. CLASS: H ADDITIVES: 2% CFR-3 (DISPERSANT) 3% 344 (WATERLOSS) 3% KCL

LEAD: 150 SACKS TAIL:

2. SLURRY WEIGHT LBS. PER GALLON:

LEAD: 16.4 PPG TAIL:

3. WATER (GAL/SK)

LEAD: 4.3 GALLONS PER SACK TAIL: 1.06 YIELD

CEMENT TO SURFACE: YES LOST RETURNS: NO

1 INCH INFORMATION: WEIGHT: CEMENT TO SURFACE:

FEET: SX: CLASS: CACL%: RETURNS:

ADDITIONAL COMMENTS: HOLE CIRCULATED THROUGHOUT CEMENT JOB. BUMPED A WOODEN PLUG AT 1145 PM. WATCHED CEMENT AT SURFACE FOR 20 MINUTES--NO TOP JOB NEEDED HERE. DRILLER STATED THAT HE DID ENCOUNTER SOME MOISTURE AT AROUND 180 FEET.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
[X] Oil Well [ ] Gas well [ ] Other

2. Name of Operator
Inland Production Company

3. Address and Telephone No.
P.O. Box 790233 Vernal, Utah 84079 (801) 789-1866

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NW/NW
Sec. 32, T8S, R18E

5. Lease Designation and Serial No.
ML-22058

6. If Indian, Allottee or Tribe Name

7. If unit or CA, Agreement Designation

8. Well Name and No.
Sundance State 3-32

9. API Well No.
43-047-32741

10. Field and Pool, or Exploratory Area

11. County or Parish, State
Uintah, UT

12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
[ ] Notice of Intent	[ ] Abandonment		[ ] Change of Plans	
	[ ] Recompletion		[ ] New Construction	
[X] Subsequent Report	[ ] Plugging Back		[ ] Non-Routine Fracturing	
	[ ] Casing repair		[ ] Water Shut-off	
[ ] Final Abandonment Notice	[ ] Altering Casing		[ ] Conversion to Injection	
	[X] Other	***Weekly Status***	[ ] Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

WEEKLY STATUS REPORT FOR WEEK OF 2/4/97 - 2/10/97:

Drilled 7 7/8" hole w/ Caza, Rig #56 from 305' - 6150'. Run 5 1/2" 15.5# J-55 csg. Cmt w/ 390 sx Hibond 65 modified cmt mixed @ 11.0 PPG w/ 3.0 ft/sk yield & 390 sx Prem + Thixo w/ 10% CalSeal mixed @ 14.2 PPG w/ 1.59 ft/sk yeld.

RDMOL

RECEIVED
FEB 19 1997
DIV. OF OIL, GAS & MINING

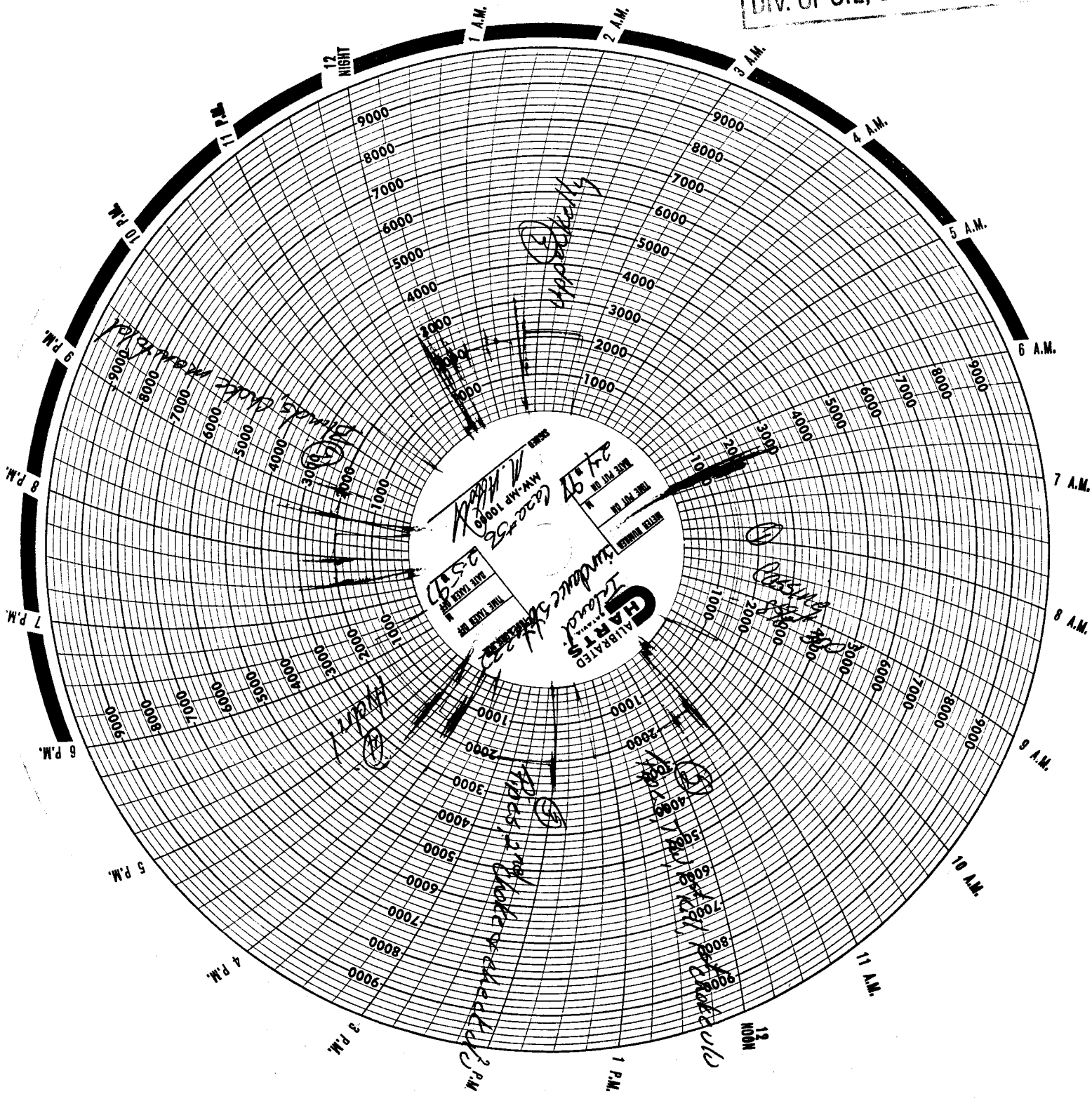
14. I hereby certify that the foregoing is true and correct
Signed Cheryl Cameron Title ***Regulatory Compliance Specialist*** Date ***2/14/97***
Cheryl Cameron

(This space of Federal or State office use.)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly to make to any department of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
[X] Oil Well [ ] Gas well [ ] Other

2. Name of Operator
Inland Production Company

3. Address and Telephone No.
P.O. Box 790233 Vernal, Utah 84079 ***(801) 789-1866***

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NW/NW
Sec. 32, T8S, R18E

5. Lease Designation and Serial No.
ML-22058

6. If Indian, Allottee or Tribe Name

7. If unit or CA, Agreement Designation

8. Well Name and No.
Sundance State 3-32

9. API Well No.
43-047-32741

10. Field and Pool, or Exploratory Area

11. County or Parish, State
Uintah, UT

12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
[ ] Notice of Intent	[ ] Abandonment		[ ] Change of Plans	
	[ ] Recompletion		[ ] New Construction	
[X] Subsequent Report	[ ] Plugging Back		[ ] Non-Routine Fracturing	
	[ ] Casing repair		[ ] Water Shut-off	
[ ] Final Abandonment Notice	[ ] Altering Casing		[ ] Conversion to Injection	
	[X] Other	***Weekly Status***	[ ] Dispose Water	

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

WEEKLY STATUS REPORT FOR WEEK OF 2/15/97 - 2/25/97:

Perf A sd 5563'-5567', 5581'-5586'
Perf B sd 5426'-5433', 5440'-5445'
Perf C sd 5240'-5249', 5253'-5258'
Perf D sd 5054'-5062'

RECEIVED
FEB 28 1997
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct
Signed ***Cheryl Cameron*** Title ***Regulatory Compliance Specialist*** Date ***2/25/97***

(This space of Federal or State office use.)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly to make to any department of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: ***ML-22058***

6. If Indian, Allottee or Tribe Name:

7. If unit or CA, Agreement Designation:

1. Type of Well: [X] Oil Well [ ] Gas well [ ] Other

8. Well Name and No.: ***Sundance State 3-32***

2. Name of Operator: ***Inland Production Company***

9. API Well No.: ***43-047-32741***

3. Address and Telephone No.: ***P.O. Box 790233 Vernal, Utah 84079 (801) 789-1866***

10. Field and Pool, or Exploratory Area:

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NW/NW
Sec. 32, T8S, R18E

11. County or Parish, State: ***Uintah, UT***

12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
[ ] Notice of Intent	[ ] Abandonment	[ ] Change of Plans	
	[ ] Recompletion	[ ] New Construction	
[X] Subsequent Report	[ ] Plugging Back	[ ] Non-Routine Fracturing	
	[ ] Casing repair	[ ] Water Shut-off	
[ ] Final Abandonment Notice	[ ] Altering Casing	[ ] Conversion to Injection	
	[X] Other ***Weekly Status***	[ ] Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directioally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

WEEKLY STATUS REPORT FOR WEEK OF 2/26/97 - 3/5/97:

Perf GB-6 sd 4639'-4644', 4647'-4659'

TIH w/ Production String

ON PRODUCTION 3/5/97

RECEIVED
MAR 13 1997
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Signed ***Cheryl Cameron*** Title ***Regulatory Compliance Specialist*** Date ***3/5/97***

(This space of Federal or State office use.)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly to make to any department of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Form OGCC-3

SUBMIT IN [redacted]LICATE* (See other instructions on reverse side)

STATE OF UTAH

OIL & GAS CONSERVATION COMMISSION

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

5. LEASE DESIGNATION AND SERIAL NO.: ML22058

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

1a. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] DRY [ ] Other

b. TYPE OF COMPLETION: NEW WELL [X] WORK OVER [ ] DEEP-EN [ ] PLUG BACK [ ] DIFF. RESVR. [ ] Other

8. FARM OR LEASE NAME: Sundance State

2. NAME OF OPERATOR: Inland Production Company

9. WELL NO.: #3-32

3. ADDRESS OF OPERATOR: P.O. Box 790233 Vernal Utah 84079

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL (*Report location clearly and in accordance with any State requirements*)*

At surface: NE/NW

At top prod. interval reported below: 769.9' FNL & 1955.6' FWL

At total depth:

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: Sec. 32, T8S, R18E

14. PERMIT NO.	DATE ISSUED	12. COUNTY OR PARISH	13. STATE
43-047-32741	3/4/97	Uintah	UT

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (*Ready to prod.*)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
1/27/97	2/9/97	3/5/97	5071.7' GR	--

20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
6150'	6059'		→	X	

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* Green River
5563'-5567',5581'-5586',5426'-5433',5440'-5445',5240'-5249'
5253'-5258',5054'-5062',4639'-4644',4647'-4659'

25. WAS DIRECTIONAL SURVEY MADE: No

26. TYPE ELECTRIC AND OTHER LOGS RUN: CBL, CNL, DLL

27. WAS WELL CORED: No

28. CASING RECORD (*Report all strings set in well*)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	24#	295'	12 1/4	150 sx Class H w/ 2% CFR-3, 3% Halad 344, 3% KCL mixed	
5 1/2	15.5#	6104.29'	7 7/8	390 sx Hibond 65 Mod & 390 sx Prem + Thixo w/ 10% CalSeal	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (*Interval, size and number*)
A 5563'-5567',5581'-5586'
B 5426'-5433',5440'-5445'
C 5240'-5249'-5253'-5258'
D 5054'-5062'
GB-6 4639'-4644',4647'-4659'

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
See Back	

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (*Flowing, gas lift, pumping—size and type of pump*)	WELL STATUS (*Producing or shut-in*)
3/5/97	Pumping	producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
10 day avg	3/97	N/A		77	161	7	2.1

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (*Sold, used for fuel, vented, etc.*): Sold & Used for Fuel

TEST WITNESSED BY:

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Cheryl Cameron TITLE Regulatory Compliance Specialist DATE 3/28/97

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.
If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.
Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.
Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.
Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.
Item 29: *"Sacks Cement"*: Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.
Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:
SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Garden Gulch Mkr	4388'		#32.
Point 3 Mkr	4662'		Perf A sd 5563'-5567', 5581'-5586'
X Mkr	4871'		Frac w/ 95,700# 20/40 sd in 530 bbls borage1
Y Mkr	4911'		
Douglas Ck Mkr	5045'		Perf B sd 5426'-5433', 5440'-5445'
Bicarbonate Mkr	5298'		Frac w/ 98,300# 20/40 sd in 531 bbls borage1
B Limestone Mkr	5495'		
Ca[redacted]e Peak	5870'		Perf C sd 5240'-5249', 5253'-5258'
Ba[redacted] Carbonate	NDE		Frac w/ 105,000# 20/40 sd in 510 bbls borage1
			Perf D sd 5054'-5062'
			Frac w/ 59,500# 20/40 sd in 380 bbls borage1
			Perf GB-6 sd 4639'-4644', 4647'-4659'
			Frac w/ 119,200# 20/40 sd in 531 bbls borage1

38. GEOLOGIC MARKERS

NAME	TOP MEAS. DEPTH	TOP TRUE VERT. DEPTH

Inland
RESOURCES INC.

March 28, 1997

State of Utah
Division of Oil, Gas & Mining
P.O. Box 145801
1594 West North Temple Suite 1210
Salt Lake City Utah 84114-5801

Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal Utah 84078

DRL
T08S R18E 32
43-047-32741

ATTENTION: Mike Hebertson

RE: Sundance State #3-32
Tar Sans Federal #16-30

Dear Mr. Hebertson,

Enclosed is the original and two copies of the Well Completion Report for the Sundance State #3-32, and three copies of the Tar Sands Federal #16-30. Included are the CBL, CNL, and the DLL for both locations. Copies of the Completion Report and Logs will also be submitted to the Bureau of Land Management.

Please contact me in the Vernal Branch office (801) 789-1866 (P.O. Box 790233, Vernal, UT, 84079,) if you have any questions, or need additional information.

Sincerely,

Cheryl Cameron

Cheryl Cameron
Regulatory Compliance Specialist

Inland Production Company Field Office • P.O. Box 1446 • Roosevelt, UT 84066 • 801-722-5103 • FAX 801-722-9149

475 Seventeenth Street, Suite 1500, Denver, CO 80202 • 303-292-0900 • FAX 303-296-4070

FORM 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.
ML-22058

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation
NA

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
SUNDANCE STATE 3-32

2. Name of Operator
INLAND PRODUCTION COMPANY

9. API Well No.
43-047-32741

3. Address and Telephone No.
475 17TH STREET, SUITE 1500, DENVER, COLORADO 80202 (303) 292-0900

10. Field and Pool, or Exploratory Area
8 MILE FLAT NORTH

4. Location of Well (Footage, Sec., T., R., m., or Survey Description)
0770 FNL 1956 FWL NE/NW Section 32, T08S R18E

11. County or Parish, State
UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
[ ] Notice of Intent	[ ] Abandonment	[ ] Change of Plans
[X] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[X] Other **Site Security**	[ ] Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Attached please find the site security diagram for the above referenced well.

RECEIVED
NOV 02 1998
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct
Signed Debbie E. Knight Title Manager, Regulatory Compliance Date 10/30/98

(This space for Federal or State office use)
Approved by _____ Title _____ Date _____
Conditions of approval, if any:
CC: UTAH DOGM

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fradulent statements or representations as to any matter within its jurisdiction.

Inland Production Company
Site Facility Diagram

Sundance 3-32

NE/NW Sec. 32, T8S, 18E

Uintah County

Sept. 17, 1998

Site Security Plan is held at the Roosevelt Office, Roosevelt Utah

Production Phase:

1) Valves 1, and 3 sealed closed

2) Valves 2 and 4 sealed open

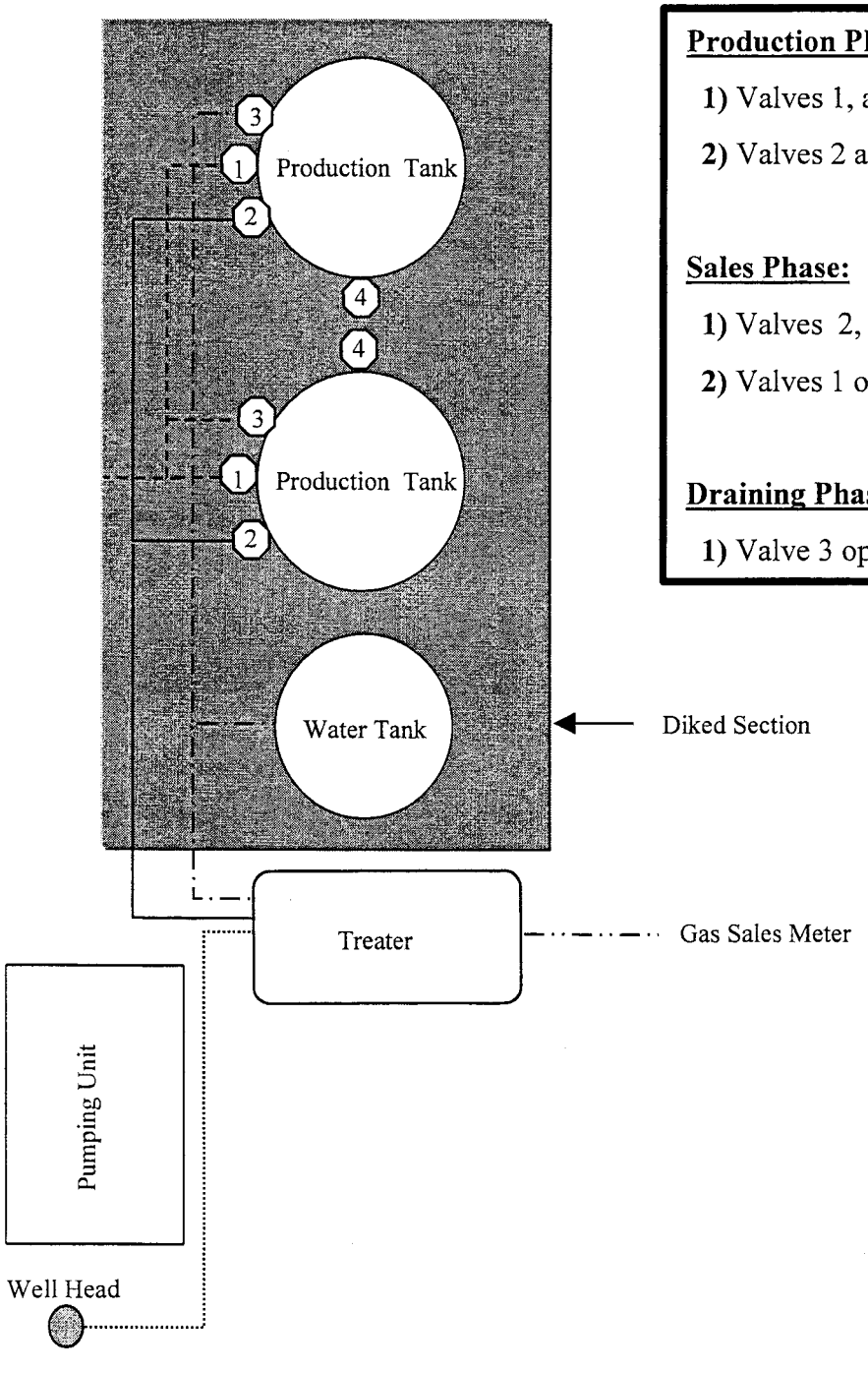
Sales Phase:

1) Valves 2, 3, and 4 sealed closed

2) Valves 1 open

Draining Phase:

1) Valve 3 open



Legend

Emulsion Line	.....
Load Line	- - - - - - - - - -
Water Line	-·-·-·-·-·-·-
Oil Line	———
Gas Sales	—··—··—··—

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Geoffrey S. Connor
Secretary of State

Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

Newfield Production Company
Filing Number: 41530400

Articles of Amendment

September 02, 2004

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 10, 2004.

Secretary of State

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
INLAND PRODUCTION COMPANY

FILED
In the Office of the
Secretary of State of Texas
SEP 02 2004
Corporations Section

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act (the "TBCA"), the undersigned corporation adopts the following articles of amendment to the articles of incorporation:

ARTICLE 1 – Name

The name of the corporation is Inland Production Company.

ARTICLE 2 – Amended Name

The following amendment to the Articles of Incorporation was approved by the Board of Directors and adopted by the shareholders of the corporation on August 27, 2004.

The amendment alters or changes Article One of the Articles of Incorporation to change the name of the corporation so that, as amended, Article One shall read in its entirety as follows:

"ARTICLE ONE – The name of the corporation is Newfield Production Company."

ARTICLE 3 – Effective Date of Filing

This document will become effective upon filing.

The holder of all of the shares outstanding and entitled to vote on said amendment has signed a consent in writing pursuant to Article 9.10 of the TBCA, adopting said amendment, and any written notice required has been given.

IN WITNESS WHEREOF, the undersigned corporation has executed these Articles of Amendment as of the 1st day of September, 2004.

INLAND RESOURCES INC.

By: Susan G. Riggs
Susan G. Riggs, Treasurer

Division of Oil, Gas and Mining

OPERATOR CHANGE WORKSHEET

ROUTING
1. GLH
2. CDW
3. FILE

Change of Operator (Well Sold) | Designation of Agent/Operator

X Operator Name Change | **Merger**

The operator of the well(s) listed below has changed, effective: **9/1/2004**

FROM: (Old Operator):	**TO:** (New Operator):
N5160-Inland Production Company	N2695-Newfield Production Company
Route 3 Box 3630	Route 3 Box 3630
Myton, UT 84052	Myton, UT 84052
Phone: 1-(435) 646-3721	Phone: 1-(435) 646-3721

CA No. **Unit:**

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
FEDERAL 12-26	26	080S	180E	4304732731	11896	Federal	GW	S	
FEDERAL 34-26	26	080S	180E	4304732847	12123	Federal	OW	P	
FEDERAL 43-27	27	080S	180E	4304732732	11903	Federal	OW	S	
FEDERAL 14-28	28	080S	180E	4304732733	11908	Federal	OW	S	
FEDERAL 13-28	28	080S	180E	4304732743	11915	Federal	OW	TA	
FEDERAL 34-29	29	080S	180E	4304732742	11918	Federal	OW	P	
PARIETTE FED 32-29	29	080S	180E	4304732848	12144	Federal	OW	P	
SUNDANCE ST 1-32R-8-18	32	080S	180E	4304732740	11886	State	OW	P	K
SUNDANCE ST 3-32	32	080S	180E	4304732741	12059	State	OW	P	
SUNDANCE ST 4-32	32	080S	180E	4304732827	12106	State	OW	P	
SUNDANCE ST 6-32	32	080S	180E	4304732828	12105	State	D	PA	
SUNDANCE ST 7-32	32	080S	180E	4304732909		State	NA	LA	
MON FED 43-19-9-18Y	19	090S	180E	4304732730	11901	Federal	OW	P	
BIRKDALE FED 13-34	34	090S	180E	4304732777	12007	Federal	OW	S	

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/15/2004
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/15/2004
3. The new company was checked on the **Department of Commerce, Division of Corporations Database on:** 2/23/2005
4. Is the new operator registered in the State of Utah: YES Business Number: 755627-0143
5. If **NO**, the operator was contacted contacted on:

6a. (R649-9-2)Waste Management Plan has been received on: IN PLACE

6b. Inspections of LA PA state/fee well sites complete on: waived

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: na/

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject,** for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 2/23/2005

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database on:** 2/28/2005
2. Changes have been entered on the **Monthly Operator Change Spread Sheet on:** 2/28/2005
3. Bond information entered in RBDMS on: 2/28/2005
4. Fee/State wells attached to bond in RBDMS on: 2/28/2005
5. Injection Projects to new operator in RBDMS on: 2/28/2005
6. Receipt of Acceptance of Drilling Procedures for APD/New on: waived

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UT 0056

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: 61BSBDH2912

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 61BSBDH2919

2. The **FORMER** operator has requested a release of liability from their bond on: n/a*
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

*Bond rider changed operator name from Inland Production Company to Newfield Production Company - **received 2/23/05**

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

TAKE PRIDE IN AMERICA

IN REPLY REFER TO
3180
UT-922

June 30, 2005

Newfield Production Company
Attn: Kelly L. Donohoue
1401 Seventeenth Street, Suite 1000
Denver, Colorado 80202

Gentlemen:

The Sundance (Green River) Unit Agreement, Uintah County, Utah, was approved June 30, 2005. This agreement has been designated No. UTU82472X, and is effective July 1, 2005. The unit area embraces 11,143.86 acres, more or less.

Pursuant to regulations issued and effective June 17, 1988, all operations within the Sundance (Green River) Unit will be covered by your nationwide (Utah) oil and gas bond No. 0056.

The following leases embrace lands included within the unit area:

UTU0075174	UTU39713	UTU65970*	UTU79013*
UTU16539*	UTU39714	UTU74404	UTU79014*
UTU16540	UTU44429	UTU74835	UTU80915
UTU17424*	UTU64806*	UTU74872*	UTU82205
UTU18043	UTU65969	UTU75234	

* Indicates lease to be considered for segregation by the Bureau of Land Management pursuant to Section 18 (g) of the unit agreement and Public Law 86-705.

All lands and interests by State of Utah, Cause No. 228-08 are fully committed. Docket No 2005-009

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

We are of the opinion that the agreement is necessary and advisable in the public interest and for the purpose of more properly conserving natural resources. Certification-Determination, signed by the School and Institutional Trust Land Administration for the State of Utah, is attached to the enclosed agreement. We request that you furnish the State of Utah and all other interested principals with appropriate evidence of this approval.

Sincerely,

/s/ Terry Catlin

Terry Catlin
Acting Chief, Branch of Fluid Minerals

Enclosure

bcc: Mary Higgins w/enclosure
MMS - Data Management Division (Attn: James Sykes)
Trust Lands Administration
Division of Oil, Gas and Mining
Field Manager - Vernal w/enclosure
File - Sundance (Green River) Unit w/enclosure
Agr. Sec. Chron
Fluid Chron
Central Files

UT922:TAThompson:tt:06/30/2005

Entity Form 6

"C" Change from one existing entity to another existing entity

API	Well	Sec	Twsp	Rng	Entity	Entity Eff Date
4301316218	CASTLE DRAW 16-10-9-17	10	090S	170E	8120 to 14844	9/20/2005
4301330568	FEDERAL 8-10-9-17	10	090S	170E	8000 to 14844	9/20/2005
4301332502	FEDERAL 9-10-9-17	10	090S	170E	14325 to 14844	9/20/2005
4301331593	MON FED 11-11-9-17Y	11	090S	170E	11904 to 14844	9/20/2005
4301332486	FEDERAL 5-11-9-17	11	090S	170E	14285 to 14844	9/20/2005
4301332510	FEDERAL 13-11-9-17	11	090S	170E	14273 to 14844	9/20/2005
4301332544	FEDERAL 12-11-9-17	11	090S	170E	14613 to 14844	9/20/2005
4301332704	FEDERAL 12-14-9-17	14	090S	170E	14786 to 14844	9/20/2005
4301331023	FEDERAL 15-1-B	15	090S	170E	10201 to 14844	9/20/2005
4304734494	FEDERAL 1-31-8-18	31	080S	180E	13927 to 14844	9/20/2005
4304734495	FEDERAL 2-31-8-18	31	080S	180E	13959 to 14844	9/20/2005
4304734496	FEDERAL 3-31-8-18	31	080S	180E	13915 to 14844	9/20/2005
4304734497	FEDERAL 4-31-8-18	31	080S	180E	13942 to 14844	9/20/2005
4304734498	FEDERAL 5-31-8-18	31	080S	180E	13898 to 14844	9/20/2005
4304734499	FEDERAL 6-31-8-18	31	080S	180E	13960 to 14844	9/20/2005
4304734500	FEDERAL 7-31-8-18	31	080S	180E	13925 to 14844	9/20/2005
4304734501	FEDERAL 11-31-8-18	31	080S	180E	13924 to 14844	9/20/2005
4304734502	FEDERAL 12-31-8-18	31	080S	180E	13958 to 14844	9/20/2005
4304734503	FEDERAL 13-31-8-18	31	080S	180E	14324 to 14844	9/20/2005
4304734504	FEDERAL 8-31-8-18	31	080S	180E	13961 to 14844	9/20/2005
4304734930	FEDERAL 10-31-8-18	31	080S	180E	13986 to 14844	9/20/2005
4304734931	FEDERAL 9-31-8-18	31	080S	180E	13963 to 14844	9/20/2005
4304731116	NGC ST 33-32	32	080S	180E	6210 to 14844	9/20/2005
4304732500	STATE 31-32	32	080S	180E	11645 to 14844	9/20/2005
4304732685	SUNDANCE ST 5-32	32	080S	180E	11781 to 14844	9/20/2005
4304732740	SUNDANCE ST 1-32R-8-18	32	080S	180E	11886 to 14844	9/20/2005
4304732741	SUNDANCE ST 3-32	32	080S	180E	12059 to 14844	9/20/2005
4304732827	SUNDANCE ST 4-32	32	080S	180E	12106 to 14844	9/20/2005
4304734458	SUNDANCE 7-32-8-18	32	080S	180E	13987 to 14844	9/20/2005
4304734459	SUNDANCE 8-32-8-18	32	080S	180E	14047 to 14844	9/20/2005
4304734460	SUNDANCE 9-32-8-18	32	080S	180E	13988 to 14844	9/20/2005
4304734461	SUNDANCE 11-32-8-18	32	080S	180E	13962 to 14844	9/20/2005
4304734462	SUNDANCE 12-32-8-18	32	080S	180E	14031 to 14844	9/20/2005
4304734463	SUNDANCE 13-32-8-18	32	080S	180E	13964 to 14844	9/20/2005
4304734464	SUNDANCE 14-32-8-18	32	080S	180E	14046 to 14844	9/20/2005

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 2, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6121

43 047 32741
Sundance St 3-32
8S 18E 32

Mr. Mike Guinn
Newfield Production Company
Route 3 Box 3630
Myton, UT 84052

Re: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Guinn:

As of July 2008, Newfield Production Company (Newfield) has two (2) Fee Lease Wells and twenty (20) State Mineral Lease Wells (see attachment A) in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

Several wells on the attached list have been denied for extended SI/TA. There has been only one response since these denials were issued. In a sundry notice signed and dated February 17, 2005, Newfield stated they "intend to Plug and Abandon the well (State 16-2 API# 43-013-30552) .... upon signature approval, the procedure will begin." Based on this report, the Division granted SI/TA extension for this well until September 1, 2005. More than sufficient time has passed to accomplish the P&A on this well. To date, the Division has not received a sundry to P&A this well. Please address this matter promptly by including required documents for this and all wells listed on Attachment A.

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).

2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and

2. Copy of recent casing pressure test, and

3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and

4. Fluid level in the wellbore, and

5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet
Petroleum Engineer

JP/js
Enclosure

cc: Jim Davis, SITLA
Wells File
Compliance File

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	State 16-2	43-013-30552	Sate	27 Years 4 Months
2	Wells Draw ST 7-36	43-013-30934	ML-21835	3 Years 4 Months
3	Ashley ST	43-013-32574	ML-43538	1 Year 4 Months
4	Dugout Creek ST	43-007-31022	ML-48660	3 Years 0 Months
5	Dugout Creek 22-16	43-007-31023	ML-48599	2 Years 8 Months
6	NGC ST 33-32	43-047-31116	ML-22058	1 Year 2 Months
7	Gulf State 36-13	43-047-31345	ML-22057	2 Years 0 Months
8	Gulf State 36-12	43-047-31864	ML-22057	1 Year 0 Months
9	Gulf State 36-22	43-047-31892	ML-22057	1 Year 5 Months
10	State 31-32	43-047-32500	State	1 Year 7 Months
11	UTD State 36-M	43-047-32581	State	3 Years 11 Months
12	Sundance ST 3-32	43-047-32741	ML-22058	1 Year 2 Months
13	Castle Draw 1-2-9-17	43-047-32843	State	4 Years 0 Months
14	Castle Draw 9-2-9-17	43-047-33238	State	1 Year 0 Months
15	Sundance 9-32-8-18	43-047-34460	State	4 Years 7 Months
16	Sundance 16-32-8-18	43-047-34466	State	4 Years 6 Months
17	State 15-2-9-18	43-047-35780	ML-48377	1 Year 11 Months
18	State 14-2-9-18	43-047-35781	ML-48377	2 Years 0 Months
19	State 13-2-9-18	43-047-35782	ML-48377	1 Year 11 Months
20	State 12-2-9-18	43-047-35783	ML-48377	2 Years 0 Months
21	Rex Lamb 34-2	43-047-31692	Fee	1 Year 11 Months
22	Anna Belle 31-2-J	43-047-31698	Fee	1 Year 4 Months

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 24, 2009

CERTIFIED MAIL NO.: 7005 0390 0000 7507 4207

43 047 32741
Sundance St 3-32
8S 18E 32

Mr. Mike Guinn
Newfield Production Company
Route 3, Box 3630
Myton, UT 84052

Subject: Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Mr. Guinn:

As of January 2009, Newfield Production Company (Newfield) has one (1) Fee Lease Well and eight (8) State Mineral Lease Wells (see attachment A) in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status being added to Newfield's SITA list for 2009. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Jim Davis, SITLA
Wells File
Compliance File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	STATE 16-2-N	43-013-31094	ML-16532	1 year 4 months
2	ASHLEY ST 10-2-9-15	43-013-32574	ML-43538	1 year 10 months
3	GULF STATE 36-13	43-047-31345	ML-22057	2 years 6 months
4	GULF STATE 36-11	43-047-31350	ML-22057	1 year
5	HORSESHOE BEND ST 36-1	43-047-31482	ML-33225	1 year
6	ANNA BELLE 31-2-J	43-047-31698	FEE	1 year 10 months
7	GULF STATE 36-12	43-047-31864	ML-22057	1 year 6 months
8	SUNDANCE ST 3-32	43-047-32741	ML-22058	1 year 8 months
9	CASTLE DRAW 9-2-9-17	43-047-33238	ML-45555	1 year 6 months

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: UTAH STATE ML-22058

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: SUNDANCE UNIT

. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER

8. WELL NAME and NUMBER: SUNDANCE ST 3-32

:. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY

9. API NUMBER: 4304732741

. ADDRESS OF OPERATOR: Route 3 Box 3630 CITY Myton STATE UT ZIP 84052

PHONE NUMBER: 435.646.3721

10. FIELD AND POOL, OR WILDCAT: MONUMENT BUTTE

. LOCATION OF WELL:

FOOTAGES AT SURFACE: 770 FNL 1956 FWL

COUNTY: UINTAH

OTR/OTR. SECTION. TOWNSHIP. RANGE. MERIDIAN: NENW, 32, T8S, R18E

STATE: UT

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
[ ] NOTICE OF INTENT (Submit in Duplicate)	[ ] ACIDIZE	[ ] DEEPEN	[ ] REPERFORATE CURRENT FORMATION
Approximate date work will	[ ] ALTER CASING	[ ] FRACTURE TREAT	[ ] SIDETRACK TO REPAIR WELL
	[ ] CASING REPAIR	[ ] NEW CONSTRUCTION	[ ] TEMPORARILY ABANDON
	[ ] CHANGE TO PREVIOUS PLANS	[ ] OPERATOR CHANGE	[ ] TUBING REPAIR
	[ ] CHANGE TUBING	[ ] PLUG AND ABANDON	[ ] VENT OR FLAIR
[X] SUBSEQUENT REPORT (Submit Original Form Only)	[ ] CHANGE WELL NAME	[ ] PLUG BACK	[ ] WATER DISPOSAL
Date of Work Completion:	[ ] CHANGE WELL STATUS	[ ] PRODUCTION (START/STOP)	[ ] WATER SHUT-OFF
03/27/2009	[ ] COMMINGLE PRODUCING FORMATIONS	[ ] RECLAMATION OF WELL SITE	[X] OTHER: - Status Report
	[ ] CONVERT WELL TYPE	[ ] RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The Sundance 3-32-8-18 is currently a producing well. Well was put back on production September 2008.

Please contact Tom Walker at 303-383-4114 or Susan Linder at 303-382-4443, if you need additional information.

NAME (PLEASE PRINT) Tom Walker TITLE Operations Engineer

SIGNATURE Tom Walker DATE 03/27/2009

(his space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

RECEIVED
MAR 31 2009
DIV. OF OIL, GAS & MINING

NEWFIELD
ROCKY MOUNTAINS

March 12, 2009

43 047 32741
Sundance St 3-32
9S 18E 32

Mr. Dustin Doucet
Department of Natural Resources
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

Re: Shut-In & Temporarily Abandoned Well Requirements Request dated February 24, 2009.

Dear Mr. Doucet:

In response to your letters dated February 24, 2009, I have attached a spreadsheet with the plan for sundry action towards the wells listed in your letters. (I have also included your original documents in the attachments).

The completed sundries will be processed and submitted to your office by March 24th, 2009, as requested in your letters. Please note several of the wells have already been put back on production.

If you have any questions concerning this matter, please contact Tom Walker at 303-383-4114 or Susan Linder at 303-382-4443.

Sincerely,

Tom Walker
Operations Engineer

RECEIVED
MAR 2 3 2009
DIV. OF OIL, GAS & MINING

1001 17th Street, Suite 2000 Denver, CO 80202 (303) 893-0102 Fax (303) 893-0103

1st Letter				
API number	Well name/number	Lease/CA #	Status	Comments
43-013-31094	State 16-2N-9-16	ML-16532	P	Workover complete - back on Production Feb 20, 2009
43-013-32574	Ashley St 10-2-9-15	ML-43538	SI	Schedule cement job and put back on production.
43-047-31345	Gulf State 36-13-8-18	ML-22057	SI	Schedule re-completion and put back on production
43-047-31350	Gulf State 36-11-8-18	ML-22057	P	Currently producing - sundry sent in on 10/22/08 - recomplete put back on prod.
43-047-31482	HSB State 36-1-6-21	ML-33225	PGW	Currently in producing status
43-047-31698	Anna Belle 31-2-J-6-21	Fee	P	Currently in producing Status
				Workover for Tubing Leak Dec 10, 2008. Well went back on production Feb 2009.
				Review for production enhancement/possible acid stimulation workover.
43-047-31864	Gulf State 36-12-8-18	ML-22057	SI	Well has been put on schedule for re-completion work
43-047-32741	Sundance State 3-32	ML-22058	P	Currently producing. Well was placed back on production 9-24-08
43-047-33238	Castle Draw 9-2-9-17	ML-45555	SI	Sundry sent in 2/27/09 by Eric Sundberg from producer to Injection well
2nd notice				
API number	Well name/number	Lease/CA #	Status	Comments
43-013-30552	State 16-2-9-17	State	TA	Prepare sundry with P&A date and procedures. P&A to be completed by July 2009
43-007-31022	Dugout Creek State 14-2	ML-48660	SI-Gas	Prepare Sundry to change status from SI to TA
				Do not want to P&A wells. Currently uneconomical to produce
43-007-31023	Dugout Creek State 22-16	ML-48599	SI-Gas	Prepare Sundry to change status from SI to TA
				Do not want to P&A wells. Currently uneconomical to produce
43-047-31892	Gulf State 36-22	ML-22057	SI	Schedule re-completion and put back on production
43-047-32500	State 31-32-8-18	State	SI	Schedule re-completion and put back on production
43-047-32581	UTD State 36-M	State	SI	Prepare Sundry for TA-well is important to water flood program
43-047-32843	Castle Draw 1-2-9-17	State	SI	Prepare Sundry for workover-Acid job planned for well.
43-047-34460	Sundance 9-32-8-18	State	WOC	Well is currently at day 15 completion stage
43-047-34466	Sundance 16-32-8-18	State	WOC	Prepare Sundry to TA well (Drilled, cased, never perf'd)
43-047-35783	State 12-2-9-18	ML-48377	SO	Suspended operations-prepare sundry to TA well. (Drilled 320'- surface casing only)
43-047-35782	State 13-2-9-18	ML-48377	SO	Suspended operations-prepare sundry to TA well. (Drilled 320'- surface casing only)
43-047-35781	State 14-2-9-18	ML-48377	SO	Suspended operations-prepare sundry to TA well. (Drilled 320'- surface casing only)
43-047-35780	State 15-2-9-18	ML-48377	SO	Suspended operations-prepare sundry to TA well. (Drilled 320'- surface casing only)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
1595 WYNKOOP STREET
DENVER, CO 80202-1129
http://www.epa.gov/region8

Ref: 8P-W-GW

OCT 06 2009

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Eric Sundberg
Newfield Production Company
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

RECEIVED
OCT 12 2009
DIV. OF OIL, GAS & MINING

Re: Final Permit
EPA UIC Permit UT22144-08428
Sundance State 3-32-8-18
NE NW Sec. 32-T8S-R18E
Uintah County, Utah
API No.: 43-047-32741

Dear Mr. Sundberg:

Enclosed is your copy of the FINAL Underground Injection Control (UIC) Permit for the proposed Sundance State 3-32-8-18 injection well. A Statement of Basis that discusses the conditions and requirements of this EPA UIC Permit, is also included.

The Public Comment period for this Permit ended on SEP 24 2009. No comments on the Draft Permit were received during the Public Notice period; therefore the Effective Date for this EPA UIC Permit is the date of issuance. All conditions set forth herein refer to Title 40 Parts 124, 144, 146, and 147 of the Code of Federal Regulations (CFR) and are regulations that are in effect as of the Effective Date of this Permit.

Please note that under the terms and conditions of this Final Permit you are authorized only to construct the proposed injection well. Prior to commencing injection, you first must fulfill all "Prior to Commencing Injection" requirements of the Final Permit, Part II Section C.1, and obtain written Authorization to Inject from the EPA. It is your responsibility to be familiar with and to comply with all provisions of your Final Permit. The EPA forms referenced in the permit are available at http://www.epa.gov/safewater/uic/reportingforms.html. Guidance documents for Cement Bond Logging, Radioactive Tracer testing, Step Rate testing, Mechanical Integrity demonstration, Procedure in the Event of a Mechanical Integrity Loss, and other UIC guidances, are available at http://www.epa.gov/region8/water/uic/ deep_injection.html. Upon request, hard copies of the EPA forms and guidances can be provided.

This EPA UIC Permit is issued for the operating life of the well unless terminated (Part III, Section B). The EPA may review this Permit at least every five (5) years to determine whether any action is warranted pursuant to 40 CFR § 144.36(a).

If you have any questions on the enclosed Final Permit or Statement of Basis, please call Emmett Schmitz of my staff at (303) 312-6174, or toll-free at (800) 227-8917, ext. 312-6174.

Sincerely,

Stephen S. Tuber
Assistant Regional Administrator
Office of Partnerships and Regulatory Assistance

enclosure: Final UIC Permit
Statement of Basis
Final Aquifer Exemption

cc: Letter:

Uintah & Ouray Business Committee,
Ute Indian Tribe:
Curtis Cesspooch, Chairman
Irene Cuch, Vice-Chairwoman
Frances Poowegup, Councilwoman
Ronald Groves, Councilman
Phillip Chimburas, Councilman
Steven Cesspooch, Councilman

Daniel Picard, Superintendent
Uintah & Ouray Indian Agency
U.S. Bureau of Indian Affairs

cc: all enclosures:

Michael Guinn
District Manager
Newfield Production Company
Myton, Utah

Larry Love
Director
Energy & Minerals Dept.
Ute Indian Tribe

Ferron Secakuku
Director, Natural Resources
Ute Indian Tribe

Gilbert Hunt
Associate Director
State of Utah - Natural Resources

Fluid Minerals Engineering Dept.
U.S. Bureau of Land Management
Vernal, Utah

EPA

UNDERGROUND INJECTION CONTROL PROGRAM

PERMIT

PREPARED: September 2009

Permit No. UT22144-08428

Class II Enhanced Oil Recovery Injection Well

Sundance State 3-32-8-18
Uintah County, UT

Issued To

Newfield Production Company
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

Part I. AUTHORIZATION TO CONSTRUCT AND OPERATE

Under the authority of the Safe Drinking Water Act and Underground Injection Control (UIC) Program regulations of the U. S. Environmental Protection Agency (EPA) codified at Title 40 of the Code of Federal Regulations (40 CFR) Parts 2, 124, 144, 146, and 147, and according to the terms of this Permit,

Newfield Production Company
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

is authorized to construct and to operate the following Class II injection well or wells:

Sundance State 3-32-8-18
770' FNL & 1956' FWL, NENW S32, T8S, R18E
Uintah County, UT

EPA regulates the injection of fluids into injection wells so that injection does not endanger underground sources of drinking water (USDWs). EPA UIC Permit conditions are based on authorities set forth at 40 CFR Parts 144 and 146, and address potential impacts to USDWs.

Under 40 CFR Part 144, Subpart D, certain conditions apply to all UIC Permits and may be incorporated either expressly or by reference. General permit conditions for which the content is mandatory and not subject to site-specific differences are not discussed in this document. Issuance of this Permit does not convey any property rights of any sort or any exclusive privilege, nor does it authorize injury to persons or property or invasion of other private rights, or any infringement of other Federal, State or local laws or regulations. (40 CFR §144.35) An EPA UIC Permit may be issued for the operating life of the injection well or project unless terminated for reasonable cause under 40 CFR §144.39, 144.40 and 144.41, and may be reviewed at least once every five (5) years to determine if action is required under 40 CFR §144.36(a).

This Permit is issued for the life of the well(s) unless modified, revoked and reissued, or terminated under 40 CFR §144.39 or 144.40. This EPA Permit may be adopted, modified, revoked and reissued, or terminated if primary enforcement authority for a UIC Program is delegated to an Indian Tribe or State. Upon the effective date of delegation, reports, notifications, questions and other correspondence should be directed to the Indian Tribe or State Director.

Issue Date: SEP 24 2009 Effective Date SEP 24 2009

Stephen S. Tuber
Assistant Regional Administrator*
Office of Partnerships and Regulatory Assistance

*NOTE: The person holding this title is referred to as the "Director" throughout this Permit.

PART II. SPECIFIC PERMIT CONDITIONS

Section A. WELL CONSTRUCTION REQUIREMENTS

These requirements represent the approved minimum construction standards for well casing and cement, injection tubing, and packer.

Details of the approved well construction plan are incorporated into this Permit as APPENDIX A. Changes to the approved plan that may occur during construction must be approved by the Director prior to being physically incorporated.

1. Casing and Cement.

The well or wells shall be cased and cemented to prevent the movement of fluids into or between underground sources of drinking water. The well casing and cement shall be designed for the life expectancy of the well and of the grade and size shown in APPENDIX A. Remedial cementing may be required if shown to be inadequate by cement bond log or other attempted demonstration of Part II (External) mechanical integrity.

2. Injection Tubing and Packer.

Injection tubing is required, and shall be run and set with a packer at or below the depth indicated in APPENDIX A. The packer setting depth may be changed provided it remains below the depth indicated in APPENDIX A and the Permittee provides notice and obtains the Director's approval for the change.

3. Sampling and Monitoring Devices.

The Permittee shall install and maintain in good operating condition:

(a) a "tap" at a conveniently accessible location on the injection flow line between the pump house or storage tanks and the injection well, isolated by shut-off valves, for collection of representative samples of the injected fluid; and

(b) one-half (1/2) inch female iron pipe fitting, isolated by shut-off valves and located at the wellhead at a conveniently accessible location, for the attachment of a pressure gauge capable of monitoring pressures ranging from normal operating pressures up to the Maximum Allowable Injection Pressure specified in APPENDIX C:

  (i) on the injection tubing; and

  (ii) on the tubing-casing annulus (TCA); and

(c) a pressure actuated shut-off device attached to the injection flow line set to shut-off the injection pump when or before the Maximum Allowable Injection Pressure (MAIP) specified in APPENDIX C is reached at the wellhead; and

(d) a non-resettable cumulative volume recorder attached to the injection line.

4. Well Logging and Testing

Well logging and testing requirements are found in APPENDIX B. The Permittee shall ensure the log and test requirements are performed within the time frames specified in APPENDIX B. Well logs and tests shall be performed according to current EPA-approved procedures. Well log and test results shall be submitted to the Director within sixty (60) days of completion of the logging or testing activity, and shall include a report describing the methods used during logging or testing and an interpretation of the test or log results.

5. Postponement of Construction or Conversion

The Permittee shall complete well construction within one year of the Effective Date of the Permit, or in the case of an Area Permit within one year of Authorization of the additional well. Authorization to construct and operate shall expire if the well has not been constructed within one year of the Effective Date of the Permit or Authorization and the Permit may be terminated under 40 CFR 144.40, unless the Permittee has notified the Director and requested an extension prior to expiration. Notification shall be in writing, and shall state the reasons for the delay and provide an estimated completion date. Once Authorization has expired under this part, the complete permit process including opportunity for public comment may be required before Authorization to construct and operate may be reissued.

6. Workovers and Alterations

Workovers and alterations shall meet all conditions of the Permit. Prior to beginning any addition or physical alteration to an injection well that may significantly affect the tubing, packer or casing, the Permittee shall give advance notice to the Director and obtain the Director's approval. The Permittee shall record all changes to well construction on a Well Rework Record (EPA Form 7520-12), and shall provide this and any other record of well workover, logging, or test data to EPA within sixty (60) days of completion of the activity.

A successful demonstration of Part I MI is required following the completion of any well workover or alteration which affects the casing, tubing, or packer. Injection operations shall not be resumed until the well has successfully demonstrated mechanical integrity and the Director has provided written approval to resume injection.

Section B. MECHANICAL INTEGRITY

The Permittee is required to ensure each injection well maintains mechanical integrity at all times. The Director, by written notice, may require the Permittee to comply with a schedule describing when mechanical integrity demonstrations shall be made.

An injection well has mechanical integrity if:

(a) There is no significant leak in the casing, tubing, or packer (Part I); and

(b) There is no significant fluid movement into an underground source of drinking water through vertical channels adjacent to the injection well bore (Part II).

1. Demonstration of Mechanical Integrity (MI).

The operator shall demonstrate MI prior to commencing injection and periodically thereafter. Well-specific conditions dictate the methods and the frequency for demonstrating MI and are discussed in the Statement of Basis. The logs and tests are designed to demonstrate both internal (Part I) and external (Part II) MI as described above. The conditions present at this well site warrant the methods and frequency required in Appendix B of this Permit.

In addition to these regularly scheduled demonstrations of MI, the operator shall demonstrate internal (Part I) MI after any workover which affects the tubing, packer or casing.

The Director may require additional or alternative tests if the results presented by the operator are not satisfactory to the Director to demonstrate there is no movement of fluid into or between USDWs resulting from injection activity. Results of MI tests shall be submitted to the Director as soon as possible but no later than sixty (60) days after the test is complete.

2. Mechanical Integrity Test Methods and Criteria

EPA-approved methods shall be used to demonstrate mechanical integrity. Ground Water Section Guidance No. 34 "Cement Bond Logging Techniques and Interpretation", Ground Water Section Guidance No. 37, "Demonstrating Part II (External) Mechanical Integrity for a Class II injection well permit", and Ground Water Section Guidance No. 39, "Pressure Testing Injection Wells for Part I (Internal) Mechanical Integrity" are available from EPA and will be provided upon request.

The Director may stipulate specific test methods and criteria best suited for a specific well construction and injection operation.

3. Notification Prior to Testing.

The Permittee shall notify the Director at least 30 days prior to any scheduled mechanical integrity test. The Director may allow a shorter notification period if it would be sufficient to enable EPA to witness the mechanical integrity test. Notification may be in the form of a yearly or quarterly schedule of planned mechanical integrity tests, or it may be on an individual basis.

4. Loss of Mechanical Integrity.

If the well fails to demonstrate mechanical integrity during a test, or a loss of mechanical integrity becomes evident during operation (such as presence of pressure in the TCA, water flowing at the surface, etc.), the Permittee shall notify the Director within 24 hours (see Part III Section E Paragraph 11(e) of this Permit) and the well shall be shut-in within 48 hours unless the Director requires immediate shut-in.

Within five days, the Permittee shall submit a follow-up written report that documents test results, repairs undertaken or a proposed remedial action plan.

Injection operations shall not be resumed until after the well has successfully been repaired and demonstrated mechanical integrity, and the Director has provided approval to resume injection.

Section C. WELL OPERATION

INJECTION BETWEEN THE OUTERMOST CASING PROTECTING UNDERGROUND SOURCES OF DRINKING WATER AND THE WELL BORE IS PROHIBITED.

Injection is approved under the following conditions:

1. Requirements Prior to Commencing Injection.

Well injection, including for new wells authorized by an Area Permit under 40 CFR 144.33 (c), may commence only after all well construction and pre-injection requirements herein have been met and approved. The Permittee may not commence injection until construction is complete, and

(a) The Permittee has submitted to the Director a notice of completion of construction and a completed EPA Form 7520-10 or 7520-12; all applicable logging and testing requirements of this Permit (see APPENDIX B) have been fulfilled and the records submitted to the Director; mechanical integrity pursuant to 40 CFR 146.8 and Part II Section B of this Permit has been demonstrated; and

(i) The Director has inspected or otherwise reviewed the new injection well and finds it is in compliance with the conditions of the Permit; or

(ii) The Permittee has not received notice from the Director of his or her intent to inspect or otherwise review the new injection well within 13 days of the date of the notice in Paragraph 1a, in which case prior inspection or review is waived and the Permittee may commence injection.

2. Injection Interval.

Injection is permitted only within the approved injection interval, listed in APPENDIX C. Additional individual injection perforations may be added provided that they remain within the approved injection interval and the Permittee provides notice to the Director in accordance with Part II, Section A, Paragraph 6.

3. Injection Pressure Limitation

(a) The permitted Maximum Allowable Injection Pressure (MAIP), measured at the wellhead, is found in APPENDIX C. Injection pressure shall not exceed the amount the Director determines is appropriate to ensure that injection does not initiate new fractures or propagate existing fractures in the confining zone adjacent to USDWs. In no case shall injection pressure cause the movement of injection or formation fluids into a USDW.

(b) The Permittee may request a change of the MAIP, or the MAIP may be increased or decreased by the Director in order to ensure that the requirements in Paragraph (a) above are fulfilled. The Permitee may be required to conduct a step rate injection test or other suitable test to provide information for determining the fracture pressure of the injection zone. Change of the permitted MAIP by the Director shall be by modification of this Permit and APPENDIX C.

4. Injection Volume Limitation.

Injection volume is limited to the total volume specified in APPENDIX C.

5. Injection Fluid Limitation.

Injected fluids are limited to those identified in 40 CFR 144.6(b)(2) as fluids used for enhanced recovery of oil or natural gas, including those which are brought to the surface in connection with conventional oil or natural gas production that may be commingled with waste waters from gas plants which are an integral part of production operations unless those waters are classified as a hazardous waste at the time of injection, pursuant to 40 CFR 144.6(b). Non-exempt wastes, including unused fracturing fluids or acids, gas plant cooling tower cleaning wastes, service wastes and vacuum truck wastes, are NOT approved for injection. This well is NOT approved for commercial brine injection, industrial waste fluid disposal or injection of hazardous waste as defined by CFR 40 Part 261. The Permittee shall provide a listing of the sources of injected fluids in accordance with the reporting requirements in Part II Section D Paragraph 4 and APPENDIX D of this Permit.

6. Tubing-Casing Annulus (TCA)

The tubing-casing annulus (TCA) shall be filled with water treated with a corrosion inhibitor, or other fluid approved by the Director. The TCA valve shall remain closed during normal operating conditions and the TCA pressure shall be maintained at zero (0) psi.

If TCA pressure cannot be maintained at zero (0) psi, the Permittee shall follow the procedures in Ground Water Section Guidance No. 35 "Procedures to follow when excessive annular pressure is observed on a well."

Section D. MONITORING, RECORDKEEPING, AND REPORTING OF RESULTS

1. Monitoring Parameters, Frequency, Records and Reports.

Monitoring parameters are specified in APPENDIX D. Pressure monitoring recordings shall be taken at the wellhead. The listed parameters are to be monitored, recorded and reported at the frequency indicated in APPENDIX D even during periods when the well is not operating.

Monitoring records must include:

(a) the date, time, exact place and the results of the observation, sampling, measurement, or analysis, and;

(b) the name of the individual(s) who performed the observation, sampling, measurement, or analysis, and;

(c) the analytical techniques or methods used for analysis.

2. Monitoring Methods.

(a) Monitoring observations, measurements, samples, etc. taken for the purpose of complying with these requirements shall be representative of the activity or condition being monitored.

(b) Methods used to monitor the nature of the injected fluids must comply with analytical methods cited and described in Table 1 of 40 CFR 136.3 or Appendix III of 40 CFR 261, or by other methods that have been approved in writing by the Director.

(c) Injection pressure, annulus pressure, injection rate, and cumulative injected volumes shall be observed and recorded at the wellhead under normal operating conditions, and all parameters shall be observed simultaneously to provide a clear depiction of well operation.

(d) Pressures are to be measured in pounds per square inch (psi).

(e) Fluid volumes are to be measured in standard oil field barrels (bbl).

(f) Fluid rates are to be measured in barrels per day (bbl/day).

3. Records Retention.

(a) Records of calibration and maintenance, and all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit shall be retained for a period of AT LEAST THREE (3) YEARS from the date of the sample, measurement, report, or application. This period may be extended anytime prior to its expiration by request of the Director.

(b) Records of the nature and composition of all injected fluids must be retained until three (3) years after the completion of any plugging and abandonment (P&A) procedures specified under 40 CFR 144.52(a)(6) or under Part 146 Subpart G, as appropriate. The Director may require the Permittee to deliver the records to the Director at the conclusion of the retention period. The Permittee shall continue to retain the records after the three (3) year retention period unless the Permittee delivers the records to the Director or obtains written approval from the Director to discard the records.

4. Annual Reports.

Whether the well is operating or not, the Permittee shall submit an Annual Report to the Director that summarizes the results of the monitoring required by Part II Section D and APPENDIX D.

The first Annual Report shall cover the period from the effective date of the Permit through December 31 of that year. Subsequent Annual Reports shall cover the period from January 1 through December 31 of the reporting year. Annual Reports shall be submitted by February 15 of the year following data collection. EPA Form 7520-11 may be copied and shall be used to submit the Annual Report, however, the monitoring requirements specified in this Permit are mandatory even if EPA Form 7520-11 indicates otherwise.

Section E. PLUGGING AND ABANDONMENT

1. Notification of Well Abandonment, Conversion or Closure.

The Permittee shall notify the Director in writing at least forty-five (45) days prior to: 1) plugging and abandoning an injection well, 2) converting to a non-injection well, and 3) in the case of an Area Permit, before closure of the project.

2. Well Plugging Requirements

Prior to abandonment, the injection well shall be plugged with cement in a manner which isolates the injection zone and prevents the movement of fluids into or between underground sources of drinking water, and in accordance with 40 CFR 146.10 and other applicable Federal, State or local law or regulations. Tubing, packer and other downhole apparatus shall be removed. Cement with additives such as accelerators and retarders that control or enhance cement properties may be used for plugs; however, volume-extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.6 lb/gal shall be placed between all plugs. A minimum 50 ft surface plug shall be set inside and outside of the surface casing to seal pathways for fluid migration into the subsurface. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. Prior to placement of the cement plug(s) the well shall be in a state of static equilibrium with the mud weight equalized top to bottom, either by circulating the mud in the well at least once or by a comparable method prescribed by the Director.

3. Approved Plugging and Abandonment Plan.

The approved plugging and abandonment plan is incorporated into this Permit as APPENDIX E. Changes to the approved plugging and abandonment plan must be approved by the Director prior to beginning plugging operations. The Director also may require revision of the approved plugging and abandonment plan at any time prior to plugging the well.

4. Forty Five (45) Day Notice of Plugging and Abandonment.

The Permittee shall notify the Director at least forty-five (45) days prior to plugging and abandoning a well and provide notice of any anticipated change to the approved plugging and abanonment plan.

5. Plugging and Abandonment Report.

Within sixty (60) days after plugging a well, the Permittee shall submit a report (EPA Form 7520-13) to the Director. The plugging report shall be certified as accurate by the person who performed the plugging operation. Such report shall consist of either:

(a) A statement that the well was plugged in accordance with the approved plugging and abandonment plan; or

(b) Where actual plugging differed from the approved plugging and abandonment plan, an updated version of the plan, on the form supplied by the Director, specifying the differences.

6. Inactive Wells.

After any period of two years during which there is no injection the Permittee shall plug and abandon the well in accordance with Part II Section E Paragraph 2 of this Permit unless the Permittee:

(a) Provides written notice to the Director;

(b) Describes the actions or procedures the Permittee will take to ensure that the well will not endanger USDWs during the period of inactivity. These actions and procedures shall include compliance with mechanical integrity demonstration, Financial Responsibility and all other permit requirements designed to protect USDWs; and

(c) Receives written notice by the Director temporarily waiving plugging and abandonment requirements.

PART III. CONDITIONS APPLICABLE TO ALL PERMITS

Section A. EFFECT OF PERMIT

The Permittee is allowed to engage in underground injection in accordance with the conditions of this Permit. The Permittee shall not construct, operate, maintain, convert, plug, abandon, or conduct any other activity in a manner that allows the movement of fluid containing any contaminant into underground sources of drinking water, if the presence of that contaminant may cause a violation of any primary drinking water regulation under 40 CFR 142 or may otherwise adversely affect the health of persons. Any underground injection activity not authorized by this Permit or by rule is prohibited. Issuance of this Permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of any other Federal, State or local law or regulations. Compliance with the terms of this Permit does not constitute a defense to any enforcement action brought under the provisions of Section 1431 of the Safe Drinking Water Act (SDWA) or any other law governing protection of public health or the environment, for any imminent and substantial endangerment to human health or the environment, nor does it serve as a shield to the Permittee's independent obligation to comply with all UIC regulations. Nothing in this Permit relieves the Permittee of any duties under applicable regulations.

Section B. CHANGES TO PERMIT CONDITIONS

1. Modification, Reissuance, or Termination.

The Director may, for cause or upon a request from the Permittee, modify, revoke and reissue, or terminate this Permit in accordance with 40 CFR 124.5, 144.12, 144.39, and 144.40. Also, this Permit is subject to minor modification for causes as specified in 40 CFR 144.41. The filing of a request for modification, revocation and reissuance, termination, or the notification of planned changes or anticipated noncompliance on the part of the Permittee does not stay the applicability or enforceability of any condition of this Permit.

2. Conversions.

The Director may, for cause or upon a written request from the Permittee, allow conversion of the well from a Class II injection well to a non-Class II well. Conversion may not proceed until the Permittee receives written approval from the Director. Conditions of such conversion may include but are not limited to, approval of the proposed well rework, follow up demonstration of mechanical integrity, well-specific monitoring and reporting following the conversion, and demonstration of practical use of the converted configuration.

3. Transfer of Permit.

Under 40 CFR 144.38, this Permit is transferable provided the current Permittee notifies the Director at least thirty (30) days in advance of the proposed transfer date (EPA Form 7520-7) and provides a written agreement between the existing and new Permittees containing a specific date for transfer of Permit responsibility, coverage and liability between them. The notice shall adequately demonstrate that the financial responsibility requirements of 40 CFR 144.52(a)(7) will be met by the new Permittee. The Director may require modification or revocation and reissuance of the Permit to change the name of the Permittee and incorporate such other requirements as may be necessary under the Safe Drinking Water Act; in some cases, modification or revocation and reissuance is mandatory.

4. Permittee Change of Address.

Upon the Permittee's change of address, or whenever the operator changes the address where monitoring records are kept, the Permittee must provide written notice to the Director within 30 days.

5. Construction Changes, Workovers, Logging and Testing Data

The Permittee shall give advance notice to the Director, and shall obtain the Director's written approval prior to any physical alterations or additions to the permitted facility. Alterations or workovers shall meet all conditions as set forth in this permit. The Permittee shall record any changes to the well construction on a Well Rework Record (EPA Form 7520-12), and shall provide this and any other record of well workovers, logging , or test data to EPA within sixty (60) days of completion of the activity.

Following the completion of any well workovers or alterations which affect the casing, tubing, or packer, a successful demonstration of mechanical integrity (Part III, Section F of this Permit) shall be made, and written authorization from the Director received, prior to resuming injection activities.

Section C. SEVERABILITY

The Provisions of this Permit are severable, and if any provision of this Permit or the application of any provision of this Permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this Permit shall not be affected thereby.

Section D. CONFIDENTIALITY

In accordance with 40 CFR Part 2 and 40 CFR 144.5, information submitted to EPA pursuant to this Permit may be claimed as confidential by the submitter. Any such claim must be asserted at the time of submission by stamping the words "confidential business information" on each page containing such information. If no claim is made at the time of submission, EPA may make the information available to the public without further notice. If a claim is asserted, the validity of the claim will be assessed in accordance with the procedures in 40 CFR Part 2 (Public Information). Claims of confidentiality for the following information will be denied:

- The name and address of the Permittee, and
- information which deals with the existence, absence or level of contaminants in drinking water.

Section E. GENERAL PERMIT REQUIREMENTS

1. Duty to Comply.

The Permittee must comply with all conditions of this Permit. Any noncompliance constitutes a violation of the Safe Drinking Water Act (SDWA) and is grounds for enforcement action; for Permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application; except that the Permittee need not comply with the provisions of this Permit to the extent and for the duration such noncompliance is authorized in an emergency permit under 40 CFR 144.34. All violations of the SDWA may subject the Permittee to penalties and/or criminal prosecution as specified in Section 1423 of the SDWA.

2. Duty to Reapply.

If the Permittee wishes to continue an activity regulated by this Permit after the expiration date of this Permit, under 40 CFR 144.37 the Permittee must apply for a new permit prior to the expiration date.

3. Need to Halt or Reduce Activity Not a Defense.

It shall not be a defense for a Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this Permit.

4. Duty to Mitigate.

The Permittee shall take all reasonable steps to minimize or correct any adverse impact on the environment resulting from noncompliance with this Permit.

5. Proper Operation and Maintenance.

The Permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Permittee to achieve compliance with the conditions of this Permit. Proper operation and maintenance includes effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls, including appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of this Permit.

6. Permit Actions.

This Permit may be modified, revoked and reissued or teminated for cause. The filing of a request by the Permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

7. Property Rights.

This Permit does not convey any property rights of any sort, or any exclusive privilege.

8. Duty to Provide Information.

The Permittee shall furnish to the Director, within a time specified, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The Permittee shall also furnish to the Director, upon request, copies of records required to be kept by this Permit. The Permittee is required to submit any information required by this Permit or by the Director to the mailing address designated in writing by the Director.

9. Inspection and Entry.

The Permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

(a) Enter upon the Permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this Permit;

(b) Have access to and copy, at reasonable times, any records that must be kept under the conditions of this Permit;

(c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this Permit; and,

(d) Sample or monitor at reasonable times, for the purpose of assuring permit compliance or as otherwise authorized by the SDWA, any substances or parameters at any location.

10. Signatory Requirements.

All applications, reports or other information submitted to the Director shall be signed and certified according to 40 CFR 144.32. This section explains the requirements for persons duly authorized to sign documents, and provides wording for required certification.

11. Reporting Requirements.

(a) Planned changes. The Permittee shall give notice to the Director as soon as possible of any planned changes, physical alterations or additions to the permitted facility, and prior to commencing such changes.

(b) Anticipated noncompliance. The Permittee shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

(c) Monitoring Reports. Monitoring results shall be reported at the intervals specified in this Permit.

(d) Compliance schedules. Reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule of this Permit shall be submitted no later than 30 days following each schedule date.

(e) Twenty-four hour reporting. The Permittee shall report to the Director any noncompliance which may endanger human health or the environment, including:

(i) Any monitoring or other information which indicates that any contaminant may cause endangerment to a USDW; or

(ii) Any noncompliance with a permit condition or malfunction of the injection system which may cause fluid migration into or between USDWs.

Information shall be provided, either directly or by leaving a message, within twenty-four (24) hours from the time the permittee becomes aware of the circumstances by telephoning (800) 227-8917 and requesting EPA Region VIII UIC Program Compliance and Technical Enforcement Director, or by contacting the EPA Region VIII Emergency Operations Center at (303) 293-1788.

In addition, a follow up written report shall be provided to the Director within five (5) days of the time the Permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause, the period of noncompliance including exact dates and times, and if the noncompliance has not been corrected the anticipated time it is expected to continue; and the steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.

(f) Oil Spill and Chemical Release Reporting: The Permittee shall comply with all reporting requirements related to the occurence of oil spills and chemical releases by contacting the National Response Center (NRC) at (800) 424-8802, (202) 267-2675, or through the NRC website http://www.nrc.uscg.mil/index.htm.

(g) Other Noncompliance. The Permittee shall report all instances of noncompliance not reported under paragraphs Part III, Section E Paragraph 11(b) or Section E, Paragraph 11(e) at the time the monitoring reports are submitted. The reports shall contain the information listed in Paragraph 11(e) of this Section.

(h) Other information. Where the Permittee becomes aware that it failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Director, the Permittee shall promptly submit such facts or information to the Director.

Section F. FINANCIAL RESPONSIBILITY

1. Method of Providing Financial Responsibility.

The Permittee shall maintain continuous compliance with the requirement to maintain financial responsibility and resources to close, plug, and abandon the underground injection well(s). No substitution of a demonstration of financial responsibility shall become effective until the Permittee receives written notification from the Director that the alternative demonstration of financial responsibility is acceptable. The Director may, on a periodic basis, require the holder of a permit to revise the estimate of the resources needed to plug and abandon the well to reflect changes in such costs and may require the Permittee to provide a revised demonstration of financial responsibility.

2. Insolvency.

In the event of:

(a) the bankruptcy of the trustee or issuing institution of the financial mechanism; or

(b) suspension or revocation of the authority of the trustee institution to act as trustee; or

(c) the institution issuing the financial mechanism losing its authority to issue such an instrument

the Permittee must notify the Director in writing, within ten (10) business days, and the Permittee must establish other financial assurance or liability coverage acceptable to the Director within sixty (60) days after any event specified in (a), (b), or (c) above.

The Permittee must also notify the Director by certified mail of the commencement of voluntary or involuntary proceedings under Title 11 (Bankruptcy), U.S. Code naming the owner or operator as debtor, within ten (10) business days after the commencement of the proceeding. A guarantor, if named as debtor of a corporate guarantee, must make such a notification as required under the terms of the guarantee.

APPENDIX A

WELL CONSTRUCTION REQUIREMENTS

See diagram.

The Sundance State No. 3-32-8-18 was drilled to a total depth of 6,150 feet (KB) feet in the Douglas Creek Member.

Surface casing (8-5/8 inch) was set at a depth of 294 feet in a 12-1/4 inch hole using 150 sacks of Class "G" cement which was circulated to the surface.

Production casing (5-1/2 inch) was set at a depth of 6,104 feet (KB) in a 7-7/8 inch hole with 390 sacks of Hibond mixed and 390 sacks thixotropic. Top of cement by Cement Bond Log is 710 feet from surface.

CBL analysis does identify adequate 80% bond index cement bond across the Confining Zone.

The schematic diagram shows enhanced recovery injection perforations in Garden Gulch and Douglas Creek Members of the Green River Formation. Additional perforations may be added at a later time between the depths of 4,098 feet (top of Garden Gulch Member) and the top of the Wasatch Formation (estimated 6,382 feet) provided the operator first notifies the Director and later submits an updated well completion report (EPA Form 7520-12) and schematic diagram.

The packer will be set no higher than 100 feet above the top perforation.

UT2144-08428

Sundance State #3-32-8-18

Spud Date: 2/5/97
Put on Production: 3/5/97
GL: 5072' KB: 5085'

Initial Production: 77 BOPD,
161 MCFPD, 7 BWPD

Proposed Injection
Wellbore Diagram

SURFACE CASING

CSG SIZE: 8-5/8"
GRADE: J-55
WEIGHT:24#
LENGTH: 295'
DEPTH LANDED: 293.90'GL Base USDWs 322'
HOLE SIZE:12-1/4"
CEMENT DATA: 150 sxs Class H cmt w/0.2% CFR-3, 0.3% Halad 344, 3% KCl mixed @ 16.4 PPG w/ 1.06 ft3/sk yield. Est 4 bbls to surf.
Cement Top @ 710'

Green River 1760'

PRODUCTION CASING

CSG SIZE: 5-1/2" Trona 3266-3305'
GRADE: J-55
WEIGHT: 15.5# Mahogany B. 3305'-3325'
LENGTH: 144 jts(6104.49').
DEPTH LANDED: 6104.29'
HOLE SIZE: 7-7/8"
CEMENT DATA: 390 sk Hibond mixed & 390 sxs thixotropic
CEMENT TOP AT: 710'

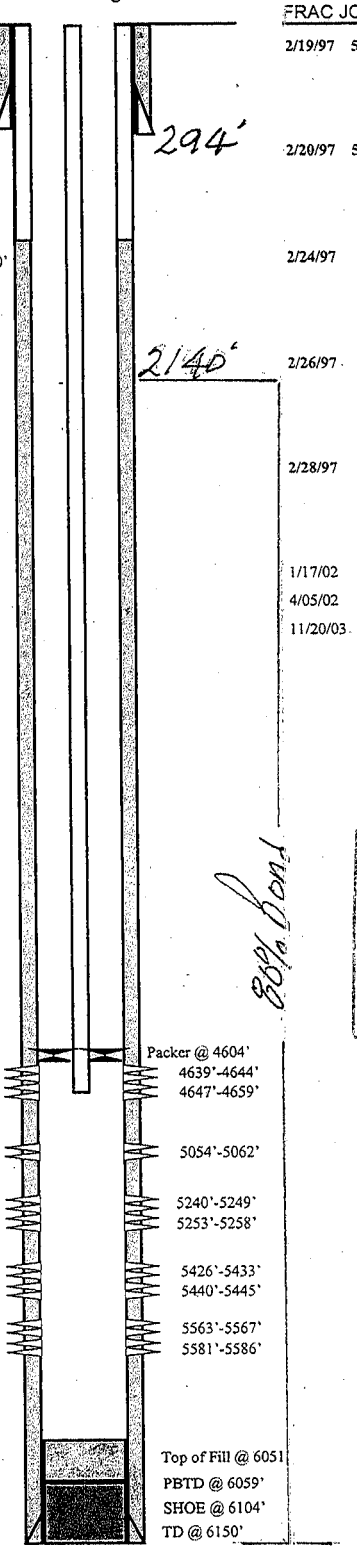
Confining Zone 3906'-4098'
Garden Gulch 4098

TUBING

SIZE/GRADE/WT.: 2-7/8" / M-50 / 6.5#
NO. OF JOINTS: 177 jts. (5509.39')
TUBING ANCHOR: 5522.39'
NO. OF JOINTS: 2 jts. (62.00')
SEATING NIPPLE: 2-7/8" (1.10')
SN LANDED AT: 5584.30'
NO. OF JOINTS: 2 jts. (61.42')
TOTAL STRING LENGTH: EOT @ 5650.07' w/13' KB

Douglas Creek 5045'

Basal Peak 5870'-5886'



FRAC JOB

2/19/97	5563'-5586'	**Frac A-1 sand as follows:** 95,700# of 20/40 sand in 530 bbls of Boragel. Treated @ avg rate of 25 bpm w/avg press of 2250 psi. ISP-3303 psi. Flowback for 5-1/2 hours and died.
2/20/97	5426'-5445'	**Frac B-1 sand as follows:** 98,300# of 20/40 sand in 531 bbls of Boragel. Treated @ avg rate of 25.2 bpm w/avg press of 1500 psi. ISIP-1606 psi. Flowback for 5 hours and died.
2/24/97	5240'-5258'	**Frac C sand as follows:** 105,000# of 20/40 sand in 510 bbls of Boragel. Treated @ avg rate of 24.5 bpm w/avg press of 1800 psi. ISIP-2220 psi. Flowback for 3-1/2 hours and died.
2/26/97	5054'-5062'	**Frac D-1 sand as follows:** 59,500# of 20/40 sand 380 bbls of Boragel. Treated @ avg rate of 22 bpm w/avg press of 2400 psi. ISIP-3868 psi. Flowback for 4 hours and died.
2/28/97	4639'-4659'	**Frac GB-6 sand as follows:** 119,200# of 20/40 sand in 531 bbls of Boragel. Treated @ avg rate of 22.5 bpm w/avg press of 1800 psi. ISIP-2473 psi. Flowback for 4-1/2 hours and died.
1/17/02		Tubing leak. Update rod and tubing details.
4/05/02		Tubing leak. Update rod and tubing details.
11/20/03		Pump Change. Update rod and tubing detail.

PERFORATION RECORD

2/17/97	5563'-5567'	4 JSPF	16 holes
2/17/97	5581'-5586'	4 JSPF	20 holes
2/20/97	5426'-5433'	4 JSPF	28 holes
2/20/97	5440'-5445'	4 JSPF	20 holes
2/22/97	5240'-5249'	4 JSPF	36 holes
2/22/97	5253'-5258'	4 JSPF	20 holes
2/25/97	5054'-5062'	4 JSPF	32 holes
2/27/97	4639'-4644'	4 JSPF	20 holes
2/27/97	4647'-4659'	4 JSPF	48 holes

Est. Basal Carbonate 6257'
Est. Wasatch 6382'

NEWFIELD

Sundance State #3-32-8-18
770' FNL & 1956' FWL
NE/NW Section 32-T8S-R18E
Uintah Co, Utah
API #43-047-32741; Lease #ML-22058

CT 5/28/09

APPENDIX B

LOGGING AND TESTING REQUIREMENTS

Logs.
Logs will be conducted according to current UIC guidance. It is the responsibility of the Permittee to obtain and use guidance prior to conducting any well logging required as a condition of this permit.

NO LOGGING REQUIREMENTS

Tests.
Tests will be conducted according to current UIC guidance. It is the responsibility of the Permittee to obtain and use guidance prior to conducting any well test required as a condition of this permit.

WELL NAME: Sundance State 3-32-8-18

TYPE OF TEST	DATE DUE
Standard Annulus Pressure	Prior to receiving authorization to inject and at least once within a five (5) year period following the last successful test.
Pore Pressure	Prior to receiving authorization to inject.

APPENDIX C

OPERATING REQUIREMENTS

MAXIMUM ALLOWABLE INJECTION PRESSURE:

Maximum Allowable Injection Pressure (MAIP) as measured at the surface shall not exceed the pressure(s) listed below.

WELL NAME	MAXIMUM ALLOWED INJECTION PRESSURE (psi) ZONE 1 (Upper)
Sundance State 3-32-8-18	1,345

INJECTION INTERVAL(S):

Injection is permitted only within the approved injection interval listed below. Injection perforations may be altered provided they remain within the approved injection interval and the Permittee provides notice to the Director in accordance with Part II, Section A, Paragraph 6. Specific injection perforations can be found in Appendix A.

WELL NAME: Sundance State 3-32-8-18

FORMATION NAME	APPROVED INJECTION INTERVAL (KB, ft) TOP	BOTTOM	FRACTURE GRADIENT (psi/ft)
Green River: Garden Gulch & Douglas Creek Members	4,098.00	6,382.00	0.730

ANNULUS PRESSURE:

The annulus pressure shall be maintained at zero (0) psi as measured at the wellhead. If this pressure cannot be maintained, the Permittee shall follow the procedures listed under Part II, Section C. 6. of this permit.

MAXIMUM INJECTION VOLUME:

WELL NAME: Sundance State 3-32-8-18

FORMATION NAME	MAXIMUM VOLUME LIMIT (bbls)
Green River: Garden Gulch & Douglas Creek Members	

APPENDIX D

MONITORING AND REPORTING PARAMETERS

This is a listing of the parameters required to be observed, recorded, and reported. Refer to the permit Part II, Section D, for detailed requirements for observing, recording, and reporting these parameters.

OBSERVE MONTHLY AND RECORD AT LEAST ONCE EVERY THIRTY DAYS	
OBSERVE AND RECORD	Injection pressure (psig)
	Annulus pressure(s) (psig)
	Injection rate (bbl/day)
	Fluid volume injected since the well began injecting (bbls)

ANNUALLY	
ANALYZE	Injected fluid total dissolved solids (mg/l)
	Injected fluid specific gravity
	Injected fluid specific conductivity
	Injected fluid pH

ANNUALLY	
REPORT	Each month's maximum and averaged injection pressures (psig)
	Each month's maximum and minimum annulus pressure(s) (psig)
	Each month's injected volume (bbl)
	Fluid volume injected since the well began injecting (bbl)
	Written results of annual injected fluid analysis
	Sources of all fluids injected during the year

In addition to these items, additional Logging and Testing results may be required periodically. For a list of those items and their due dates, please refer to APPENDIX B - LOGGING AND TESTING REQUIREMENTS.

APPENDIX E

PLUGGING AND ABANDONMENT REQUIREMENTS

See diagram

The well shall be plugged in a manner that isolates the injection zone and prevents movement of fluid into or between USDWs and in accordance with other applicable Federal, State or local law or regulation. Tubing, packers, and any downhole apparatus shall be removed. Class A, C, G, and H cements, with additives such as accelerators and retarders that control or enhance cement properties, may be used for plugs. However, volume extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.2 lb/gal shall be placed between all plugs. Within sixty (60) days after plugging, the owner or operator shall submit Plugging Record (EPA Form 7520-13) to the Director. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. At a minimum, the following plugs are required:

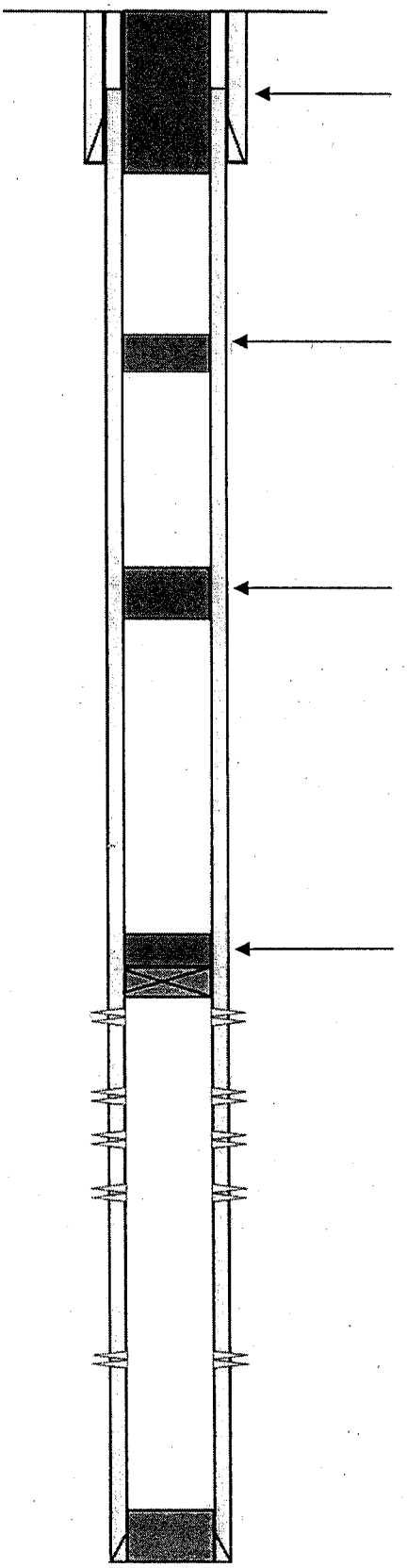
PLUG NO. 1: Seal Injection Zone: Set a cast iron bridge plug (CIBP) no more than fifty (50) feet above the top injection perforation. Place at least twenty (20) feet of cement plug on top of the CIBP.

PLUG NO. 2: Seal Mahogany Shale and Trona intervals: Squeeze a cement plug on the backside of the 5-1/2 inch casing across the Trona Zone and the Mahogany Shale approximately 3,215 feet to 3,375 feet (unless pre-existing backside cement precludes cement-squeezing this interval) followed by a minimum 160-foot balanced cement plug inside the 5-1/2 inch casing across the Trona Zone and the Mahogany Shale, approximately 3,215 feet to 3,375 feet.

PLUG NO. 3: Seal USDWs: Squeeze a cement plug (1,700 feet - 1,820 feet) on the backside of the 5-1/2 inch casing across the base of the Uinta formation (unless pre-existing backside cement precludes cement-squeezing this interval), followed by a minimum 120-foot (1,700 feet - 1,820 feet) balanced cement plug.

PLUG NO.4: Seal Surface: Set a Class "G" cement plug within the 5-1/2 inch casing to 375 feet and up the 5-1/2 inch by 8-5/8 inch casings annulus to the surface.

Plugging and Abandonment Diagram for Federal No. 3-32-8-18



Plug 4: Set a Class "G" cement plug within the 5-1/2 inch casing surface to 375 feet and up the 5-1/2 inch X 8-5/8 inch casing annulus to the surface.

Plug 3: Perforate and squeeze cement up the backside of the casing across the contact between the Uinta Formation and Green River Formation 1,700 feet – 1,820 feet (KB) unless pre-existing backside cement precludes cement-squeezing this interval. Set a minimum 120-foot cement plug inside the casing from approximately 1,700 feet – 1,820 feet.

Plug 2: Perforate and squeeze cement up the backside of the casing across the Trona Zone and the Mahogany Bench from approximately 3,215 feet – 3,375 feet (KB) unless pre-existing backside cement precludes cement-squeezing this interval. Set a minimum 160-foot balanced cement plug inside the casing from approximately 3,215 feet – 3,375 feet.

Plug 1: Set a cast iron bridge plug (CIBP) no more than 50 ft above the top perforation with a minimum of 20 ft cement plug on top of the CIBP.

APPENDIX F

CORRECTIVE ACTION REQUIREMENTS

Sundance State No. 4-32-8-18 will be monitored weekly at the surface for evidence of fluid movement out of the injection zone.

In addition, Newfield developed a corrective action monitoring program, effective July 10, 2008, entitled "Procedure related to proposed Class II Enhanced Oil Recovery Injection Wells determined by the EPA to have specific Area of Review (AOR) wells with inadequate cement across the Confining Zone".

If possible fluid movement out of the injection zone is identified, either through the weekly monitoring, through Newfield's July 10, 2008 procedure described above, or through any other means (for example, evidence of fluid flow or increased bradenhead annulus pressure readings, tubing-casing annulus pressure readings, or other evidence of a mechanical integrity failure), the Permittee will shut in Sundance State No. 3-32-8-18 immediately and notify the Director. No injection into Sundance State No. 3-32-8-18 well will be permitted until the Permittee has notfied the Director that the situation has been resolved, submitted Rework Records (EPA Form No. 7520-12) and a schematic diagram, and received authorization from the Director to re-commence injection.

NEWFIELD

ROCKY MOUNTAINS

RE: Procedure related to proposed Class II Enhanced Oil Recovery Injection Wells determined by the EPA to have specific Area of Review (AOR) wells with inadequate cement across the confining zone

Effective July 10, 2008 Newfield Production Company will implement the following procedure to address concerns related to protection of Underground Sources of Drinking Water (USDW) in AOR wells where the interval of cement bond index across the confining zone behind pipe has been determined to be inadequate. The procedure is intended to meet the corrective action requirements found in the UIC Class II permit, as well as provide data that could be used to detect and prevent fluid movement out of the proposed injection zone.

1) Establish baseline production casing by surface casing annulus pressures prior to water injection in subject well with a calibrated gauge.
2) Record the baseline pressure, report findings to Newfield engineering group and keep on file so it is available upon request
3) Place injection well in service. Run packer integrity and radioactive tracer logs to verify wellbore integrity and determine zones taking water.
4) Construct a geologic cross section showing zones taking water and their geologic equivalent zones in the AOR wells.
5) Submit a report of the packer integrity log, radioactive tracer log, and geologic cross section to to the Newfield engineering staff for review and keep on file so it is available upon request
6) Weekly observations of the site will be made by Newfield during normal well operating activities. Any surface discharge of fluids will be reported immediately.
7) After injection well is placed in service, weekly observations of annulus pressure will be made and compared to baseline pressure and will be recorded once monthly. The recorded pressure information will be kept on file and be available upon request.
8) If pressure increases by more than 10% above baseline at any time in an AOR well with insufficient cement bond, Newfield will run a temperature survey log in subject well. This log, in concert with the geologic crossection, will enable the determination of water movement in the open hole by production casing annulus through a shift in geothermal gradient.
9) If water movement is determined in annulus, Newfield will shut in the injection well and repair the production casing by open hole annulus or leave the injection well out of service.

STATEMENT OF BASIS

NEWFIELD PRODUCTION COMPANY
SUNDANCE STATE 3-32-8-18
UINTAH COUNTY, UT

EPA PERMIT NO. UT22144-08428

CONTACT: Emmett Schmitz
U. S. Environmental Protection Agency
Ground Water Program, 8P-W-GW
1595 Wynkoop Street
Denver, Colorado 80202-1129
Telephone: 1-800-227-8917 ext. 312-6174

This STATEMENT OF BASIS gives the derivation of site-specific UIC Permit conditions and reasons for them. Referenced sections and conditions correspond to sections and conditions in the Permit.

EPA UIC permits regulate the injection of fluids into underground injection wells so that the injection does not endanger underground sources of drinking water. EPA UIC permit conditions are based upon the authorities set forth in regulatory provisions at 40 CFR Parts 144 and 146, and address potential impacts to underground sources of drinking water. Under 40 CFR 144.35 Issuance of this permit does not convey any property rights of any sort or any exclusive privilege, nor authorize injury to persons or property of invasion of other private rights, or any infringement of other Federal, State or local laws or regulations. Under 40 CFR 144 Subpart D, certain conditions apply to all UIC Permits and may be incorporated either expressly or by reference. General Permit conditions for which the content is mandatory and not subject to site-specific differences (40 CFR Parts 144, 146 and 147) are not discussed in this document.

Upon the Effective Date when issued, the Permit authorizes the construction and operation of injection wells so that the injection does not endanger underground sources of drinking water, governed by the conditions specified in the Permit. The Permit is issued for the operating life of the injection well or project unless terminated for reasonable cause under 40 CFR 144.39, 144.40 and 144.41. The Permit is subject to EPA review at least once every five (5) years to determine if action is required under 40 CFR 144.36(a).

PART I. General Information and Description of Facility

Newfield Production Company
1001 Seventeenth Street, Suite 2000
Denver, CO 80202

on

June 2, 2009

submitted an application for an Underground Injection Control (UIC) Program Permit or Permit Modification for the following injection well or wells:

Sundance State 3-32-8-18
770' FNL & 1956' FWL, NENW S32, T8S, R18E
Uintah County, UT

Regulations specific to Uintah-Ouray Indian Reservation injection wells are found at 40 CFR 147 Subpart TT.

The application, including the required information and data necessary to issue or modify a UIC Permit in accordance with 40 CFR Parts 144, 146 and 147, was reviewed and determined by EPA to be complete.

The Permit will expire upon delegation of primary enforcement responsibility (primacy) for applicable portions of the UIC Program to the Ute Indian Tribe or the State of Utah unless the delegated agency has the authority and chooses to adopt and enforce this Permit as a Tribal or State Permit.

TABLE 1.1 shows the status of the well or wells as "New", "Existing", or "Conversion" and for Existing shows the original date of injection operation. Well authorization "by rule" under 40 CFR Part 144 Subpart C expires automatically on the Effective Date of an issued UIC Permit.

Sundance State No. 3-32-8-18 is currently producing from the Garden Gulch and Douglas Creek Members of the Green River Formation. Applicant initially proposes to use current production perforations for Class II enhanced recovery injection. Sundance State No. 3-32-8-18 has total depth in Douglas Creek Member.

TABLE 1.1

WELL STATUS / DATE OF OPERATION

NEW WELLS

Well Name	Well Status	Date of Operation
Sundance State 3-32-8-18	New	N/A

PART II. Permit Considerations (40 CFR 146.24)

Hydrogeologic Setting

Water wells for domestic supply in this area, when present, generally are completed into the shallow alluvium, the Duchesne River Formation, or the underlying Uinta Formation, and the water generally contains approximately 500 to 1,500 mg/l and higher total dissolved solids.

The Uinta-Animas aquifer in the Uinta Basin is present in water-yielding beds of sandstone, conglomerate, and siltstone of the Duchesne River and Uinta Formations, the Renegade Tongue of the Wasatch Formation, and the Douglas Creek Member of the Green River Formation. The Renegade Tongue of the Wasatch Formation and the Douglas Creek Member of the Green River Formation contain an aquifer along the southern and eastern margins of the basin where the rocks primarily consist of fluvial, massive, irregularly bedded sandstone and siltstone. Water-yielding units in the Uinta-Animas aquifer in the Uinta Basin commonly are separated from each other and from the underlying Mesaverde aquifer by units of low permeability composed of claystone, shale, marlstone, or limestone. In the Uinta Basin, for example, the part of the aquifer in the Duchesne River and Uinta Formations ranges in thickness from 0 feet at the southern margin of the aquifer to as much as 9,000 feet in the north-central part of the aquifer. Ground-water recharge to the Uinta-Animas aquifer generally occurs in the areas of higher altitude along the margins of the basin. Ground water is discharged mainly to streams, springs, and by transpiration from vegetation growing along stream valleys. The rate of ground-water withdrawal is small, and natural discharge is approximately equal to recharge. Recharge occurs near the southern margin of the aquifer, and discharge occurs near the White and Green Rivers (from USGS publication HA 730-C). Water samples from Mesaverde sands in the nearby Natural Buttes Unit yielded highly saline water.

Geologic Setting (TABLE 2.1)

The proposed enhanced oil recovery injection well is located in the Greater Monument Butte Field, T7-9S and R15-19E, which lies near the center of the broad, gently northward dipping south flank of the Uinta Basin. More than 450 million barrels of oil (63 MT) have been produced from sediments of the Uinta Basin. The Uinta Basin is a topographic and structural trough encompassing an area of more than 9,300 square mi (14,900 km) in northeast Utah. The basin is sharply asymmetrical, with a steep north flank bounded by the east-west-trending Uinta Mountains, and a gently dipping south flank. The Uinta Basin was formed in Paleocene to Eocene time, creating a large area of internal drainage which was filled by the ancestral Lake Uinta. The lacustrine, or fresh water lake-formed, sediments deposited in and around Lake Uinta make up the Uintah and Green River Formations. The southern shore of Lake Uinta was very broad and flat, resulting in large cyclic shifts of the location of the shoreline during the many repeated transgressive and regressive cycles caused by the climatic and tectonic-induced rise and fall of water levels of the lake. Distributary-mouth bars, distributary channels, and near-shore bars are the primary oil producing sandstone reservoirs in the area. (Ref: "Reservoir Characterization of the Lower Green River Formation, Southwest Uinta Basin, Utah Biannual Technical Progress Report, 4/1/99-9/30/99", by C. D. Morgan, Program Manager, November 1999, Contract DE-AC26-98BC15103).

The Duchesne River Formation is absent in this area. Shale and siltstone of the Uintah Formation outcrop and compose the surface rock throughout the area. The lower 600 feet to 800 feet of the Uinta Formation, consisting generally of shale interbedded with occasionally water-bearing sandstone lenses between 5 feet to 20 feet thick, is underlain by the Green River Formation. The

Green River Formation is further subdivided into several Member and local marker units. The cyclic nature of Green River deposition in the southern shore area resulted in numerous stacked, intertonguing deltaic and near-shore sand and silt deposits. Red alluvial shale and siltstone deposits that intertongue with the Green River sediments are of the Colton and Wasatch Formations. Under the Wasatch Formation is the Mesaverde Formation, which consists primarily of continental-origin deposits of interbedded shale, sandstone, and coal.

The geologic dip is about 200 feet per mile, and there are no known surface faults in this area. Veins of gilsonite, a natural resinous hydrocarbon occasionally mined as a resource, occurs in the greater Uintah Basin though it is predominantly found on the eastern margin of the basin near the Colorado border. Vertical veins, generally between 2 ft to 6 ft wide but up to 28 ft wide, may extend many miles in length and occasionally extend as deep as 2,000 ft. In this area within the Greater Monument Butte Field there is one known gilsonite vein. This vein is not considered to present a pathway for migration of fluid out of the injection zone because it terminates at depth of about 2,000 ft, far above the protective confining layer and much deeper injection zone.

TABLE 2.1
GEOLOGIC SETTING
Sundance State 3-32-8-18

Formation Name	Top (ft)	Base (ft)	TDS (mg/l)	Lithology
Uinta: Public. 92	0	322	< 10,000	Sand and shale.
Uinta	322	1,760		Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.
Green River	1,760	6,382		Interbedded lacustrine sand, shale, evaporite and carbonate with fluvial sand and shale.
Green River: Trona	3,266	3,305		Evaporite
Green River: Mahogany Bench	3,305	3,325		Shale
Green River: Confining Zone	3,906	4,098		Shale
Green River: Garden Gulch Member	4,098	5,045	3,640	Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.
Green River: Douglas Creek Member	5,045	6,257	3,640	Base of Douglas Creek Member estimated. Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.
Greern River: Basal Carbonate Member.	6,257	6,382		Top and base of Basal Carbonate Member estimated. Lithology is carbonate.

Proposed Injection Zone(s) (TABLE 2.2)

An injection zone is a geological formation, group of formations, or part of a formation that receives fluids through a well. The proposed injection zones are listed in TABLE 2.2.

Injection will occur into an injection zone that is separated from USDWs by a confining zone which is free of known open faults or fractures within the Area of Review.

The approved interval for Class II enhanced recovery injection in Sundance State No. 3-32-8-18 is

located between the top of the Garden Gulch Member (4,098 feet) and the top of the Wasatch Formation estimated to be 6,382 feet.

TABLE 2.2
INJECTION ZONES
Sundance State 3-32-8-18

Formation Name	Top (ft)	Base (ft)	TDS (mg/l)	Fracture Gradient (psi/ft)	Porosity	Exempted?*
Green River: Garden Gulch & Douglas Creek Members	4,098	6,382	3,640	0.730		P

* **C - Currently Exempted**
E - Previously Exempted
P - Proposed Exemption
N/A - Not Applicable

Confining Zone(s) (TABLE 2.3)

A confining zone is a geological formation, part of a formation, or a group of formations that limits fluid movement above the injection zone. The confining zone or zones are listed in TABLE 2.3.

The 192-foot (3,906 feet - 4,098 feet) shale Confining Zone directly overlies the top of the Garden Gulch Member.

TABLE 2.3
CONFINING ZONES
Sundance State 3-32-8-18

Formation Name	Formation Lithology	Top (ft)	Base (ft)
Green River	Shale	3,906	4,098

Underground Sources of Drinking Water (USDWs) (TABLE 2.4)

Aquifers or the portions thereof which contain less than 10,000 mg/l total dissolved solids (TDS) and are being or could in the future be used as a source of drinking water are considered to be USDWs. The USDWs in the area of this facility are identified in TABLE 2.4.

Throughout the Greater Monument Butte Field area undergoing enhanced oil recovery operations, water analyses of the Green River Formation generally exhibit total dissolved solids (TDS) content well in excess of 10,000 mg/l. However, some recent water analyses from the field showed lower TDS values closer to 10,000 mg/l. While rain and surface water recharge into Green River Formation outcrops further south along the Book Cliffs/Roan Cliffs in effect "freshens" the Green River Formation water near those outcrops, in this area of the Monument Butte Field the observed occasional 'freshening' is ascribed to the effective dilution of the originally in-place high TDS water from injection of relatively fresh water for enhanced oil recovery operations. Water samples from deeper Mesaverde Formation sands in the nearby Natural Buttes Unit yield highly saline water.

The State of Utah "Water Wells and Springs" identifies no public water supply wells within the one-quarter (1/4) mile Area-of-Review (AOR) around Sundance State No. 3-32-8-18.

Technical Publication No. 92: State of Utah, Department of Natural Resources, cites the base of Underground Sources of Drinking Water (USDW) in the Uinta Formation approximately 322 feet from the surface. Absent definitive information relative to the water quality of the Uinta Formation, 322 feet to the base of the Uinta Formation (1,760 feet), EPA will require during plugging and abandonment a cement plug at the base of the Uinta Formation to protect contamination of possible Uinta USDWs.

TABLE 2.4

UNDERGROUND SOURCES OF DRINKING WATER (USDW)

Sundance State 3-32-8-18

Formation Name	Formation Lithology	Top (ft)	Base (ft)	TDS (mg/l)
Uinta: Public. 92	Sand and shale.	0	322	< 10,000
Uinta	Interbedded lacustrine sand, shale and carbonate with fluvial sand and shale.	322	1,760	

Exempted Aquifer(s) (40 CFR 144.7 and 146.4)

Aquifers exempted from protection as a USDW are listed in TABLE 2.5. Exempted is that portion of the aquifer between the depths listed ("TOP" and "BASE") and within the Exempted Radius of the well's surface location, or for an Area Permit, one-quarter (1/4) mile exterior to the defined Area Permit boundary. "Criteria" corresponds to the appropriate criteria (below) for exemption. "VOLUME" is the maximum volume of fluid which can be injected into the exempted area before the injected fluids exceed the exemption boundary, calculated using the following formula:

$$V = Pi * radius2 * height * porosity / 5.615$$

where V = VOLUME (in barrels)
Pi = 3.1416
radius2 = Exempted Radius (squared) - generally 1/4 mile
height = height of reservoir ("BOTTOM" - "TOP")
porosity = reservoir porosity (in percent)
5.615 = conversion factor (cubic feet per barrel)

TABLE 2.5

AQUIFER EXEMPTION

Sundance State 3-32-8-18

Formation Name	Top (ft)	Base (ft)	Criteria	Volume (bbl)
Green River: Garden Gulch & Douglas Creek Members	4,098	6,382	b(1)	

An aquifer or a portion thereof may be determined to be an "exempted aquifer" provided it

meets criteria, listed below.

a It does not currently serve as a source of drinking water; AND

b(1) It cannot now and will not in the future serve as a source of drinking water because it is mineral, hydrocarbon, or geothermal energy producing, or can be demonstrated by a permit applicant as part of a permit for a Class II or III operation to contain minerals or hydrocarbons that considering their quantity and location are expected to be commercially producible; OR

A February 23, 2009 Production Water Analysis obtained from Sundance State No. 3-32-8-18 identified the total dissolved solids (TDS) of the producing zones water as 3,640 mg/l.

b(2) It cannot now and will not in the future serve as a source of drinking water because it is situated at a depth or location which makes recovery of water for drinking water purposes economically or technically impractical; OR

b(3) It cannot now and will not in the future serve as a source of drinking water because it is so contaminated that it would be economically or technologically impractical to render that water fit for human consumption; OR

b(4) It cannot now and will not in the future serve as a source of drinking water because it is located over a Class III well mining area subject to subsidence or catastrophic collapse; OR

c The total dissolved solids content of the ground water is more than 3,000 and less than 10,000 mg/l and it is not reasonably expected to supply a public water system.

PART III. Well Construction (40 CFR 146.22)

See diagram.

The Sundance State No. 3-32-8-18 was drilled to a total depth of 6,150 feet (KB) feet in the Douglas Creek Member.

Surface casing (8-5/8 inch) was set at a depth of 294 feet in a 12-1/4 inch hole using 150 sacks of Class "G" cement which was circulated to the surface.

Production casing (5-1/2 inch) was set at a depth of 6,104 feet (KB) in a 7-7/8 inch hole with 390 sacks of Hibond mixed and 390 sacks thixotropic. Top of cement by Cement Bond Log is 710 feet from surface.

CBL analysis does identify adequate 80% bond index cement bond across the Confining Zone.

The schematic diagram shows enhanced recovery injection perforations in Garden Gulch and Douglas Creek Members of the Green River Formation. Additional perforations may be added at a later time between the depths of 4,098 feet (top of Garden Gulch Member) and the top of the Wasatch Formation (estimated 6,382 feet) provided the operator first notifies the Director and later submits an updated well completion report (EPA Form 7520-12) and schematic diagram.

The packer will be set no higher than 100 feet above the top perforation.

TABLE 3.1
WELL CONSTRUCTION REQUIREMENTS
Sundance State 3-32-8-18

Casing Type	Hole Size (in)	Casing Size (in)	Cased Interval (ft)	Cemented Interval (ft)
Production	7.88	5.50	0 - 6,104	710 - 6,150
Surface	12.25	8.63	0 - 294	0 - 294

The approved well completion plan will be incorporated into the Permit as APPENDIX A and will be binding on the Permittee. Modification of the approved plan is allowed under 40 CFR 144.52(a)(1) provided written approval is obtained from the Director prior to actual modification.

Casing and Cementing (TABLE 3.1)

The well construction plan was evaluated and determined to be in conformance with standard practices and guidelines that ensure well injection does not result in the movement of fluids into USDWs. Well construction details for this "new" injection well is shown in TABLE 3.1.

Remedial cementing may be required if the casing cement is shown to be inadequate by cement bond log or other demonstration of Part II (External) mechanical integrity.

Tubing and Packer

Injection tubing is required to be installed from a packer up to the surface inside the well casing.

The packer will be set above the uppermost perforation. The tubing and packer are designed to prevent injection fluid from coming into contact with the outermost casing.

Tubing-Casing Annulus (TCA)

The TCA allows the casing, tubing and packer to be pressure-tested periodically for mechanical integrity, and will allow for detection of leaks. The TCA will be filled with fresh water treated with a corrosion inhibitor or other fluid approved by the Director.

The tubing/casing annulus must be kept closed at all times so that it can be monitored as required under conditions of the Permit.

Monitoring Devices

The permittee will be required to install and maintain wellhead equipment that allows for monitoring pressures and providing access for sampling the injected fluid. Required equipment may include but is not limited to: 1) shut-off valves located at the wellhead on the injection tubing and on the TCA; 2) a flow meter that measures the cumulative volume of injected fluid; 3) fittings or pressure gauges attached to the injection tubing and the TCA for monitoring the injection and TCA pressure; and 4) a tap on the injection line, isolated by shut-off valves, for sampling the injected fluid.

All sampling and measurement taken for monitoring must be representative of the monitored activity.

PART IV. Area of Review, Corrective Action Plan (40 CFR 144.55)

TABLE 4.1

AOR AND CORRECTIVE ACTION

Well Name	Type	Status (Abandoned Y/N)	Total Depth (ft)	TOC Depth (ft)	CAP Required (Y/N)
Federal No. 14-29-8-18	Producer	No	6,250	30	No
Sundance State No. 4-32-8-18	Producer	No	6,200	160	Yes
Sundance State No. 6-32-8-18	Other	Yes	6,000	0	No

TABLE 4.1 lists the wells in the Area of Review ("AOR") and shows the well type, operating status, depth, top of casing cement ("TOC") and whether a Corrective Action Plan ("CAP") is required for the well.

Area Of Review

Applicants for Class I, II (other than "existing" wells) or III injection well Permits are required to identify the location of all known wells within the injection well's Area of Review (AOR) which penetrate the injection zone, or in the case of Class II wells operating over the fracture pressure of the formation, all known wells within the area of review that penetrate formations which may be affected by increased pressure. Under 40 CFR 146.6 the AOR may be a fixed radius of not less than one quarter (1/4) mile or a calculated zone of endangering influence. For Area Permits, a fixed width of not less than one quarter (1/4) mile for the circumscribing area may be used.

Corrective Action Plan

For wells in the AOR which are improperly sealed, completed, or abandoned, the applicant shall develop a Corrective Action Plan (CAP) consisting of the steps or modifications that are necessary to prevent movement of fluid into USDWs.

The CAP will be incorporated into the Permit as APPENDIX F and become binding on the permittee.

PART V. Well Operation Requirements (40 CFR 146.23)

TABLE 5.1
INJECTION ZONE PRESSURES
Sundance State 3-32-8-18

Formation Name	Depth Used to Calculate MAIP (ft)	Fracture Gradient (psi/ft)	Initial MAIP (psi)
Green River: Garden Gulch & Douglas Creek Members	4,639	0.730	1,345

Approved Injection Fluid

The approved injection fluid is limited to Class II injection well fluids pursuant to 40 CFR § 144.6(b). For disposal wells injecting water brought to the surface in connection with natural gas storage operations, or conventional oil or natural gas production, the fluid may be commingled and the well used to inject other Class II wastes such as drilling fluids and spent well completion, treatment and stimulation fluid. Injection of non-exempt wastes, including unused fracturing fluids or acids, gas plant cooling tower cleaning wastes, service wastes, and vacuum truck and drum rinsate from trucks and drums transporting or containing non-exempt waste, is prohibited.

The proposed injectate will be a blend of culinary-quality water from the Johnson Water District pipeline and/or water from the Green River pipeline, and Green River Formation water from oil wells proximate to Sundance State No. 3-32-8-18.

Injection Pressure Limitation

Injection pressure, measured at the wellhead, shall not exceed a maximum calculated to assure that the pressure used during injection does not initiate new fractures or propagate existing fractures in the confining zones adjacent to the USDWs.

The applicant submitted injection fluid density and injection zone data which was used to calculate a formation fracture pressure and to determine the maximum allowable injection pressure (MAIP), as measured at the surface, for this Permit.

TABLE 5.1 lists the fracture gradient for the injection zone and the approved MAIP, determined according to the following formula:

$$FP = [fg - (0.433 * sg)] * d$$

FP = formation fracture pressure (measured at surface)

fg = fracture gradient (from submitted data or tests)
sg = specific gravity (of injected fluid)
d = depth to top of injection zone (or top perforation)

Injection Volume Limitation

Cumulative injected fluid volume limits are set to assure that injected fluids remain within the boundary of the exempted area. Cumulative injected fluid volume is limited when injection occurs into an aquifer that has been exempted from protection as a USDW.

There will be no restrictions on the cumulative volume or daily volume of authorized Class II fluid injected into the approved Green River Formation interval. The Permittee shall not exceed the authorized maximum surface injection pressure.

Mechanical Integrity (40 CFR 146.8)

An injection well has mechanical integrity if:

1. there is no significant leak in the casing, tubing, or packer (Part I); and
2. there is no significant fluid movement into a USDW through vertical channels adjacent to the injection well bore (Part II).

The Permit prohibits injection into a well which lacks mechanical integrity.

The Permit requires that the well demonstrate mechanical integrity prior to injection and periodically thereafter. A demonstration of mechanical integrity includes both internal (Part I) and external (Part II). The methods and frequency for demonstrating Part I and Part II mechanical integrity are dependent upon well-specific conditions as explained below.

Well construction and site-specific conditions dictate the following requirements for Mechanical Integrity (MI) demonstrations:

PART I MI: Internal MI will be demonstrated prior to beginning injection. Since this well is constructed with a standard casing, tubing, and packer configuration, a successful mechanical integrity test (MIT) is required to take place at least once every five (5) years. A demonstration of Part I MI is also required prior to resuming injection following any workover operation that affects the casing, tubing or packer. Part I MI may be demonstrated by a standard tubing-casing annulus pressure test using the maximum permitted injection pressure or 1,000 psi, which ever is less, with a ten (10) percent or less pressure loss over thirty (30) minutes.

PART VI. Monitoring, Recordkeeping and Reporting Requirements

Injection Well Monitoring Program

At least once a year the permittee must analyze a sample of the injected fluid for total dissolved solids (TDS), specific conductivity, pH, and specific gravity. This analysis shall be reported to EPA annually as part of the Annual Report to the Director. Any time a new source of injected fluid is added, a fluid analysis shall be made of the new source.

Instantaneous injection pressure, injection flow rate, cumulative fluid volume and TCA pressures must be observed on a weekly basis. A recording, at least once every thirty (30) days, must be made of the injection pressure, annulus pressure, monthly injection flow rate and cumulative fluid

volume. This information is required to be reported annually as part of the Annual Report to the Director.

PART VII. Plugging and Abandonment Requirements (40 CFR 146.10)

Plugging and Abandonment Plan

Prior to abandonment, the well shall be plugged in a manner that isolates the injection zone and prevents movement of fluid into or between USDWs, and in accordance with any applicable Federal, State or local law or regulation. Tubing, packer and other downhole apparatus shall be removed. Cement with additives such as accelerators and retarders that control or enhance cement properties may be used for plugs; however, volume-extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.2 lb/gal shall be placed between all plugs. A minimum 50 ft surface plug shall be set inside and outside of the surface casing to seal pathways for fluid migration into the subsurface. Within sixty (60) days after plugging the owner or operator shall submit Plugging Record (EPA Form 7520 13) to the Director. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. The plugging and abandonment plan is described in Appendix E of the Permit.

The well shall be plugged in a manner that isolates the injection zone and prevents movement of fluid into or between USDWs and in accordance with other applicable Federal, State or local law or regulation. Tubing, packers, and any downhole apparatus shall be removed. Class A, C, G, and H cements, with additives such as accelerators and retarders that control or enhance cement properties, may be used for plugs. However, volume extending additives and gel cements are not approved for plug use. Plug placement shall be verified by tagging. Plugging gel of at least 9.2 lb/gal shall be placed between all plugs. Within sixty (60) days after plugging, the owner or operator shall submit Plugging Record (EPA Form 7520-13) to the Director. The Plugging Record must be certified as accurate and complete by the person responsible for the plugging operation. At a minimum, the following plugs are required:

PLUG NO. 1: Seal Injection Zone: Set a cast iron bridge plug (CIBP) no more than fifty (50) feet above the top injection perforation. Place at least twenty (20) feet of cement plug on top of the CIBP.

PLUG NO. 2: Seal Mahogany Shale and Trona intervals: Squeeze a cement plug on the backside of the 5-1/2 inch casing across the Trona Zone and the Mahogany Shale approximately 3,215 feet to 3,375 feet (unless pre-existing backside cement precludes cement-squeezing this interval) followed by a minimum 160-foot balanced cement plug inside the 5-1/2 inch casing across the Trona Zone and the Mahogany Shale, approximately 3,215 feet to 3,375 feet.

PLUG NO. 3: Seal USDWs: Squeeze a cement plug (1,700 feet - 1,820 feet) on the backside of the 5-1/2 inch casing across the base of the Uinta formation (unless pre-existing backside cement precludes cement-squeezing this interval), followed by a minimum 120-foot (1,700 feet - 1,820 feet) balanced cement plug.

PLUG NO.4: Seal Surface: Set a Class "G" cement plug within the 5-1/2 inch casing to 375 feet and up the 5-1/2 inch by 8-5/8 inch casings annulus to the surface.

PART VIII. Financial Responsibility (40 CFR 144.52)

Demonstration of Financial Responsibility

The permittee is required to maintain financial responsibility and resources to close, plug, and abandon the underground injection operation in a manner prescribed by the Director. The permittee shall show evidence of such financial responsibility to the Director by the submission of a surety bond, or other adequate assurance such as financial statements or other materials acceptable to the Director. The Regional Administrator may, on a periodic basis, require the holder of a lifetime permit to submit a revised estimate of the resources needed to plug and abandon the well to reflect inflation of such costs, and a revised demonstration of financial responsibility if necessary. Initially, the operator has chosen to demonstrate financial responsibility with:

A June 15, 2009 demonstration of Financial Responsibility in the amount of $59,344 has been provided.

The Director may revise the amount required, and may require the Permittee to obtain and provide updated estimates of plugging and abandonment costs according to the approved Plugging and Abandonment Plan.

Financial Statement, received May 16, 2008

Evidence of continuing financial responsibility is required to be submitted to the Director annually.

UNDERGROUND INJECTION CONTROL PROGRAM

AQUIFER EXEMPTION

EPA PERMIT NO. UT22144-08428

Newfield Production Company

TABLE 1.1
AQUIFER EXEMPTION PROPOSAL(S)
Sundance State 3-32-8-18

Formation Name	Top (ft)	Base (ft)	TDS (mg/l)
Green River: Garden Gulch & Douglas Creek Members	4,098.00	6,382.00	3,640.00

The formation listed above is hereby exempted from protection as an underground source of drinking water (USDW) in compliance with provisions of the Safe Drinking Water Act as amended (42 USC 300f-300j-9, commonly known as the SDWA) and attendant regulations at Title 40 of the Code of Federal Regulations, within the subsurface interval shown and within a 1/4 mile radial distance from the surface location of the:

Sundance State 3-32-8-18
Monument Butte (Uintah)
770' FNL & 1956' FWL, NENW S32, T8S, R18E
Uintah County, UT

This aquifer exemption is granted in conjunction with an Underground Injection Control Permit issued for the injection of Class II fluids. This Aquifer Exemption has no expiration date.

The effective date of this exemption is SEP 24 2009

for Stephen S. Tuber
Assistant Regional Administrator
Office of Partnerships and Regulatory Assistance

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER: UTAH STATE ML-22058

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME: GMBU

1. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER

8. WELL NAME and NUMBER: SUNDANCE ST 3-32

2. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY

9. API NUMBER: 4304732741

3. ADDRESS OF OPERATOR: Route 3 Box 3630 CITY Myton STATE UT ZIP 84052

PHONE NUMBER: 435.646.3721

10. FIELD AND POOL, OR WILDCAT: MONUMENT BUTTE

4. LOCATION OF WELL:

FOOTAGES AT SURFACE: 770 FNL 1956 FWL

COUNTY: UINTAH

OTR/OTR. SECTION. TOWNSHIP. RANGE. MERIDIAN: NENW, 32, T8S, R18E

STATE: UT

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
[ ] NOTICE OF INTENT (Submit in Duplicate)	[ ] ACIDIZE	[ ] DEEPEN	[ ] REPERFORATE CURRENT FORMATION
Approximate date work will	[ ] ALTER CASING	[ ] FRACTURE TREAT	[ ] SIDETRACK TO REPAIR WELL
	[ ] CASING REPAIR	[ ] NEW CONSTRUCTION	[ ] TEMPORARITLY ABANDON
	[ ] CHANGE TO PREVIOUS PLANS	[ ] OPERATOR CHANGE	[ ] TUBING REPAIR
	[ ] CHANGE TUBING	[ ] PLUG AND ABANDON	[ ] VENT OR FLAIR
[X] SUBSEQUENT REPORT (Submit Original Form Only)	[ ] CHANGE WELL NAME	[ ] PLUG BACK	[ ] WATER DISPOSAL
Date of Work Completion:	[X] CHANGE WELL STATUS	[ ] PRODUCTION (START/STOP)	[ ] WATER SHUT-OFF
	[ ] COMMINGLE PRODUCING FORMATIONS	[ ] RECLAMATION OF WELL SITE	[ ] OTHER: -
03/29/2010	[X] CONVERT WELL TYPE	[ ] RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The subject well has been converted from a producing oil well to an injection well on 03/24/2010.
On 03/25/2010 Jason Deardorff with the EPA was contacted concerning the initial MIT on the above listed well. On 03/29/2010 the casing was pressured up to 1455 psig and charted for 30 minutes with no pressure loss. The well was not injecting during the test. The tubing pressure was 0 psig during the test. There was not an EPA representative available to witness the test.

EPA# UT22144-08428 API# 43-047-32741

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY

RECEIVED
APR 05 2010
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Lucy Chavez-Naupoto TITLE Administrative Assistant

SIGNATURE [signature] DATE 03/29/2010

(This space for State use only)

FORM 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31,2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on page 2

5. Lease Serial No.
UTAH STATE ML-22058

6. If Indian, Allottee or Tribe Name.

7. If Unit or CA/Agreement, Name and/or
GMBU

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
SUNDANCE ST 3-32

2. Name of Operator
NEWFIELD PRODUCTION COMPANY

9. API Well No.
4304732741

3a. Address Route 3 Box 3630
Myton, UT 84052

3b. Phone *(include are code)*
435.646.3721

10. Field and Pool, or Exploratory Area
MONUMENT BUTTE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
770 FNL 1956 FWL

NENW Section 32 T8S R18E

11. County or Parish, State
UINTAH, UT

12. CHECK APPROPRIATE BOX(ES) TO INIDICATE NATURE OF NOTICE, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change Status
	☐ Change Plans	☐ Plug & Abandon	☐ Temporarily Abandon	
	☒ Convert to Injector	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: (Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The subject well has been converted from a producing oil well to an injection well on 03/24/2010.
On 03/25/2010 Jason Deardorff with the EPA was contacted concerning the initial MIT on the above listed well. On 03/29/2010 the casing was pressured up to 1455 psig and charted for 30 minutes with no pressure loss. The well was not injecting during the test. The tubing pressure was 0 psig during the test. There was not an EPA representative available to witness the test.

EPA# UT22144-08428 API# 43-047-32741

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I hereby certify that the foregoing is true and correct *(Printed/ Typed)* Lucy Chavez-Naupoto	Title Administrative Assistant
Signature	Date 03/29/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious and fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

Mechanical Integrity Test
Casing or Annulus Pressure Mechanical Integrity Test

U.S. Environmental Protection Agency
Underground Injection Control Program
999 18th Street, Suite 500 Denver, CO 80202-2466

EPA Witness: _____ Date: 3 / 29 / 2010

Test conducted by: Alfredo Rios

Others present: _____

Well Name: Sundance State 3-32-8-18 Type: ER SWD Status: AC TA UC

Field: Monument Butte

Location: NE/NW Sec: 32 T 8 N/S R 18 E/W County: Uintah State: Ut

Operator: Newfield

Last MIT: ___ / ___ / ___ Maximum Allowable Pressure: _____ PSIG

Is this a regularly scheduled test? [ ] Yes [X] No

Initial test for permit? [X] Yes [ ] No

Test after well rework? [ ] Yes [X] No

Well injecting during test? [ ] Yes [X] No If Yes, rate: _____

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Pre-test casing/tubing annulus pressure: _____ psig

MIT DATA TABLE	Test #1	Test #2	Test #3
TUBING	*PRESSURE*		
Initial Pressure	0 psig	psig	psig
End of test pressure	0 psig	psig	psig
CASING / TUBING	*ANNULUS*	*PRESSURE*	
0 minutes	1455 psig	psig	psig
5 minutes	1455 psig	psig	psig
10 minutes	1455 psig	psig	psig
15 minutes	1455 psig	psig	psig
20 minutes	1455 psig	psig	psig
25 minutes	1455 psig	psig	psig
30 minutes	1455 psig	psig	psig
_____ minutes	psig	psig	psig
_____ minutes	psig	psig	psig
RESULT	[X] Pass [ ] Fail	[ ] Pass [ ] Fail	[ ] Pass [ ] Fail

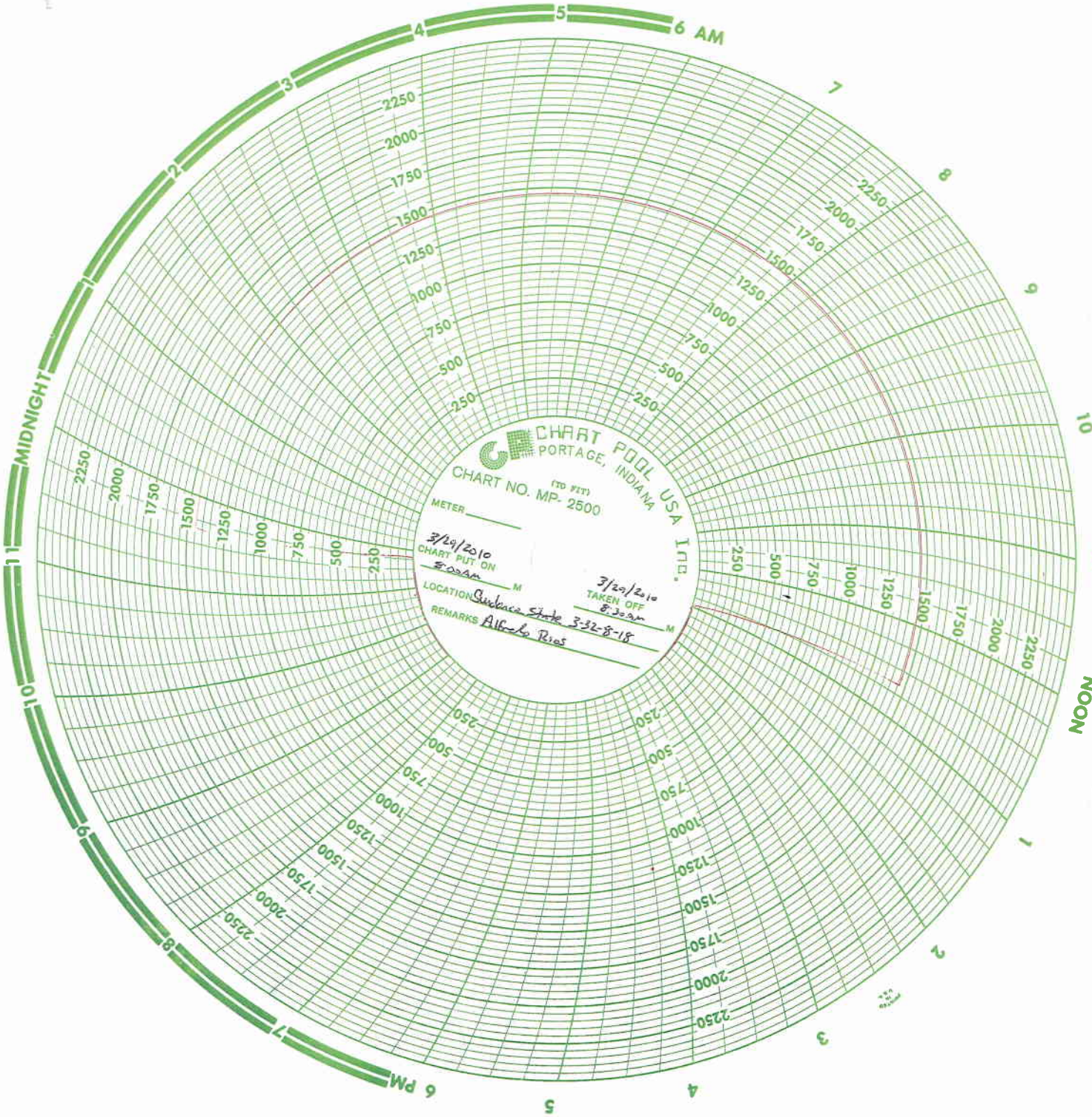
Does the annulus pressure build back up after the test ? [ ] Yes [X] No

MECHANICAL INTEGRITY PRESSURE TEST

Additional comments for mechanical integrity pressure test, such as volume of fluid added to annulus and bled back at end of test, reason for failing test (casing head leak, tubing leak, other), etc.:

_____

Signature of Witness: _____



Daily Activity Report

Format For Sundry

SUNDANCE 3-32-8-18

1/1/2010 To 5/30/2010

3/25/2010 Day: 2 **Conversion**

WWS #7 on 3/25/2010 - TOH W/ tbg. TIH W/ packer & test injection tbg. Set & test packer. RDMOSU. - RU Vaughn Energy Services & run gyro survey. RDWLT. - MIRU Western rig #7. RU HO trk to annulus & pump 60 BW @ 250°F. RU pumping unit & unseat rod pump. Flush tbg & rods W/ 15 BW @ 250°F (had to work polished rod, still @ 1000 psi). TOH & LD rod string and pump. Re-flushed rods twice more on TOH W/ 60 bbls total. ND wellhead & release TA @ 5522'. NU BOP. TOH & talley production tbg. Break each connection, clean & inspect pins and apply Liquid O-ring to pins. Out W/ 70 jts. SIFN. - RU HO trk to tbg & flush W/ 30 BW @ 250°F. Con't TOH & talley production tbg. Break each connection, clean & inspect pins and apply Liquid O-ring to pins. LD btm 33 jts & BHA. MU & TIH W/ new Weatherford 5 1/2" Arrowset 1-X packer (W/ wicker slips & W.L. re-entry guide), new 2 7/8 SN and 147 jts 2 7/8 8rd 6.5# M-50 tbg. Re-torque each connection on TIH. RU HO trk & pump 10 bbls pad. Drop standing valve & pump to SN. Pressure test tbg to 3000 psi. Bled air & re-bumped pressure sewveral times. Final test held solid for 30 minutes. Retrieve standing valve W/ overshot on sandline. ND BOP & land tbg on flange. Mix 15 gals Multi-Chem C-6031 & 5 gals B-8850 in 70 bbls fresh water. Pump dn annulus @ 90°F. PU on tbg & set pkr W/ SN @ 4588', CE @ 4592' & EOT @ 4596'. Land tbg W/ 15,000# tension. NU wellhead. Pressure test annulus & pkr to 1500 psi. Holds solid for 1 hour. RDMOSU. Well ready for MIT. - RU Vaughn Energy Services & run gyro survey. RDWLT. - MIRU Western rig #7. RU HO trk to annulus & pump 60 BW @ 250°F. RU pumping unit & unseat rod pump. Flush tbg & rods W/ 15 BW @ 250°F (had to work polished rod, still @ 1000 psi). TOH & LD rod string and pump. Re-flushed rods twice more on TOH W/ 60 bbls total. ND wellhead & release TA @ 5522'. NU BOP. TOH & talley production tbg. Break each connection, clean & inspect pins and apply Liquid O-ring to pins. Out W/ 70 jts. SIFN. - RU HO trk to tbg & flush W/ 30 BW @ 250°F. Con't TOH & talley production tbg. Break each connection, clean & inspect pins and apply Liquid O-ring to pins. LD btm 33 jts & BHA. MU & TIH W/ new Weatherford 5 1/2" Arrowset 1-X packer (W/ wicker slips & W.L. re-entry guide), new 2 7/8 SN and 147 jts 2 7/8 8rd 6.5# M-50 tbg. Re-torque each connection on TIH. RU HO trk & pump 10 bbls pad. Drop standing valve & pump to SN. Pressure test tbg to 3000 psi. Bled air & re-bumped pressure sewveral times. Final test held solid for 30 minutes. Retrieve standing valve W/ overshot on sandline. ND BOP & land tbg on flange. Mix 15 gals Multi-Chem C-6031 & 5 gals B-8850 in 70 bbls fresh water. Pump dn annulus @ 90°F. PU on tbg & set pkr W/ SN @ 4588', CE @ 4592' & EOT @ 4596'. Land tbg W/ 15,000# tension. NU wellhead. Pressure test annulus & pkr to 1500 psi. Holds solid for 1 hour. RDMOSU. Well ready for MIT.

Daily Cost: $0

Cumulative Cost: $20,562

3/29/2010 Day: 3 **Conversion**

Rigless on 3/29/2010 - MIT on Well - On 3/25/2010 Jason Deardorff with the EPA was contacted concerning the initial MIT on the above listed well (Sundance 3-32-8-18). On 3/29/2010 the csg was pressured up to 1455 psig and charted for 30 minutes with no pressure loss. The well was not injecting during the test. The tbg pressure was 0 psig during the test. There was not an EPA representative available to witness the test. Final Report!

EPA# UT22144-08428 API# 43-047-32741 **Finalized**

Daily Cost: $0

Cumulative Cost: $20,862

Pertinent Files: Go to File List

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8
1595 Wynkoop Street
DENVER, CO 80202-1129
Phone 800-227-8917
http://www.epa.gov/region08

APR 2 8 2010

Ref: 8P-W-GW

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Michael Guinn
District Manager
Newfield Production Company
Route 3 - Box 3630
Myton, UT 84052

RE: Underground Injection Control (UIC)
Authorization to Commence Injection
EPA UIC Permit UT22144-08428
Sundance State 3-32-8-18
NENW Sec. 32-T8S-R18E
Uintah County, UT
API No.: 43-047-32741

Dear Mr. Guinn:

The Environmental Protection Agency Region 8 (EPA) has received Newfield Production Company's (Newfield) March 29, 2010, letter with enclosures. The enclosed Part I (internal) Mechanical Integrity test, Well Rework Record (EPA Form 7520-12), schematic diagram, and calculated pore pressure were reviewed and approved by EPA, satisfactorily completing all Prior to Commencing Injection Requirements for UIC Permit UT22144-08428

As of the date of this letter, Newfield is authorized to commence injection into the Sundance State 3-32-8-18 well at a Maximum Allowable Injection Pressure (MAIP) of 1,345 psig. You may apply for a higher MAIP at a later date. Your application should be accompanied by the interpreted results of a step rate test that measures the fracture parting pressure and calculates the fracture gradient at this depth and location. Newfield must receive prior authorization from the Director to inject at pressures greater than the permitted MAIP during any test.

As of this approval, responsibility for permit compliance and enforcement is transferred to EPA's UIC Technical Enforcement Program. Therefore, please direct all monitoring and compliance correspondence to Nathan Wiser at the following address, referencing the well name and UIC Permit number on all correspondence:

Mr. Nathan Wiser
U.S. EPA Region 8: 8ENF-UFO
1595 Wynkoop Street
Denver, CO 80202-1129

Or, you may reach Mr. Wiser by telephone at 303-312-6211, or 1 800-227-8927, ext. 312-6211.

Please remember that it is your responsibility to be aware of and to comply with all conditions of injection well Permit UT22144-08428.

If you have questions regarding the above action, please call Emmett Schmitz at 303-312-6174 or 1-800-227-8917, ext. 312-6174.

Sincerely,

for Stephen S. Tuber
Assistant Regional Administrator
Office of Partnerships and Regulatory Assistance

cc: Uintah & Ouray Business Committee:
Curtis Cesspooch, Chairman
Ronald Groves, Councilman
Irene Cuch, Vice-Chairwoman
Steven Cesspooch, Councilman
Phillip Chimburas, Councilman
Frances Poowegup, Councilwoman

Daniel Picard
BIA - Uintah & Ouray Indian Agency

Ferron Secakuku
Director, Natural Resources
Ute Indian Tribe

Larry Love
Director of Energy & Minerals Dept.
Ute Indian Tribe

Gil Hunt
Associate Director
Utah Division of Oil, Gas, and Mining

Fluid Minerals Engineering Office
BLM - Vernal Office

Eric Sundberg, Regulatory Analyst
Newfield Production Company

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:	UTAH STATE ML-22058
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
7. UNIT or CA AGREEMENT NAME:	GMBU
1. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER	8. WELL NAME and NUMBER: SUNDANCE ST 3-32
2. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY	9. API NUMBER: 4304732741
3. ADDRESS OF OPERATOR: Route 3 Box 3630 CITY Myton STATE UT ZIP 84052 PHONE NUMBER 435.646.3721	10. FIELD AND POOL, OR WILDCAT: GREATER MB UNIT
4. LOCATION OF WELL: FOOTAGES AT SURFACE: 770 FNL 1956 FWL	COUNTY: UINTAH
OTR/OTR. SECTION. TOWNSHIP. RANGE. MERIDIAN: NENW, 32, T8S, R18E	STATE: UT

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
[X] NOTICE OF INTENT (Submit in Duplicate)	[ ] ACIDIZE	[ ] DEEPEN	[ ] REPERFORATE CURRENT FORMATION
Approximate date work will	[ ] ALTER CASING	[ ] FRACTURE TREAT	[ ] SIDETRACK TO REPAIR WELL
05/10/2010	[ ] CASING REPAIR	[ ] NEW CONSTRUCTION	[ ] TEMPORARITLY ABANDON
	[ ] CHANGE TO PREVIOUS PLANS	[ ] OPERATOR CHANGE	[ ] TUBING REPAIR
	[ ] CHANGE TUBING	[ ] PLUG AND ABANDON	[ ] VENT OR FLAIR
[ ] SUBSEQUENT REPORT (Submit Original Form Only)	[ ] CHANGE WELL NAME	[ ] PLUG BACK	[ ] WATER DISPOSAL
Date of Work Completion:	[ ] CHANGE WELL STATUS	[ ] PRODUCTION (START/STOP)	[ ] WATER SHUT-OFF
	[ ] COMMINGLE PRODUCING FORMATIONS	[ ] RECLAMATION OF WELL SITE	[X] OTHER: - Put on Injection
	[X] CONVERT WELL TYPE	[ ] RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The above reference well was put on injection at 9:30 AM on 05-10-2010.

EPA # UT22144-08428 API # 43-047-32741

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT) Lucy Chavez-Naupoto TITLE Administrative Assistant

SIGNATURE [signature] DATE 05/10/2010

(This space for State use only)

RECEIVED
MAY 13 2010
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: ML-22058

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME: GMBU (GRRV)

1. TYPE OF WELL Water Injection Well

8. WELL NAME and NUMBER: SUNDANCE ST 3-32

2. NAME OF OPERATOR: NEWFIELD PRODUCTION COMPANY

9. API NUMBER: 43047327410000

3. ADDRESS OF OPERATOR: Rt 3 Box 3630 , Myton, UT, 84052

PHONE NUMBER: 435 646-4825 Ext

9. FIELD and POOL or WILDCAT: 8 MILE FLAT NORTH

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 0770 FNL 1956 FWL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NENW Section: 32 Township: 08.0S Range: 18.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
☑ SUBSEQUENT REPORT Date of Work Completion: 2/23/2015	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☑ OTHER	OTHER: 5 YR MIT

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

5 YR MIT performed on the above listed well. On 02/23/2015 the casing was pressured up to 1488 psig and charted for 30 minutes with no pressure loss. The well was injecting during the test. The tbg pressure was 1227 psig during the test. There was not an EPA representative available to witness the test. EPA #UT22197-08428

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
March 02, 2015

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Lucy Chavez-Naupoto	435 646-4874	Water Services Technician
SIGNATURE N/A		**DATE** 2/24/2015

RECEIVED: Feb. 24, 2015

Mechanical Integrity

Casing or Annulus Pressure Mechanical Integrity Test

U.S. Environmental Protection Agency
Underground Injection Control Program
999 18th Street, Suite 500 Denver, CO 80202-2466

EPA Witness: _____ Date: 2/23/15

Test conducted by: Troy Lazenby

Others present: _____

-08428

Well Name: Sundance 3-32-8-18 Type: ER SWD Status: AC TA UC

Field: Monument Butte

Location: NE/NW Sec: 32 T 8 N/S R 18 E/W County: Uintah State: UT

Operator: Troy Lazenby

Last MIT: / / Maximum Allowable Pressure: _____ PSIG

Is this a regularly scheduled test? [✓] Yes [ ] No

Initial test for permit? [ ] Yes [✓] No

Test after well rework? [ ] Yes [✓] No

Well injecting during test? [✓] Yes [ ] No If Yes, rate: 60 bpd

Pre-test casing/tubing annulus pressure: 0 / 1227 psig

MIT DATA TABLE	Test #1	Test #2	Test #3
TUBING	*PRESSURE*		
Initial Pressure	1227 psig	psig	psig
End of test pressure	1227 psig	psig	psig
CASING / TUBING	*ANNULUS*	*PRESSURE*	
0 minutes	1486 psig	psig	psig
5 minutes	1486 psig	psig	psig
10 minutes	1487 psig	psig	psig
15 minutes	1487 psig	psig	psig
20 minutes	1487 psig	psig	psig
25 minutes	1488 psig	psig	psig
30 minutes	1488 psig	psig	psig
_____ minutes	psig	psig	psig
_____ minutes	psig	psig	psig
RESULT	[✓] Pass [ ] Fail	[ ] Pass [ ] Fail	[ ] Pass [ ] Fail

Does the annulus pressure build back up after the test ? [ ] Yes [ ] No

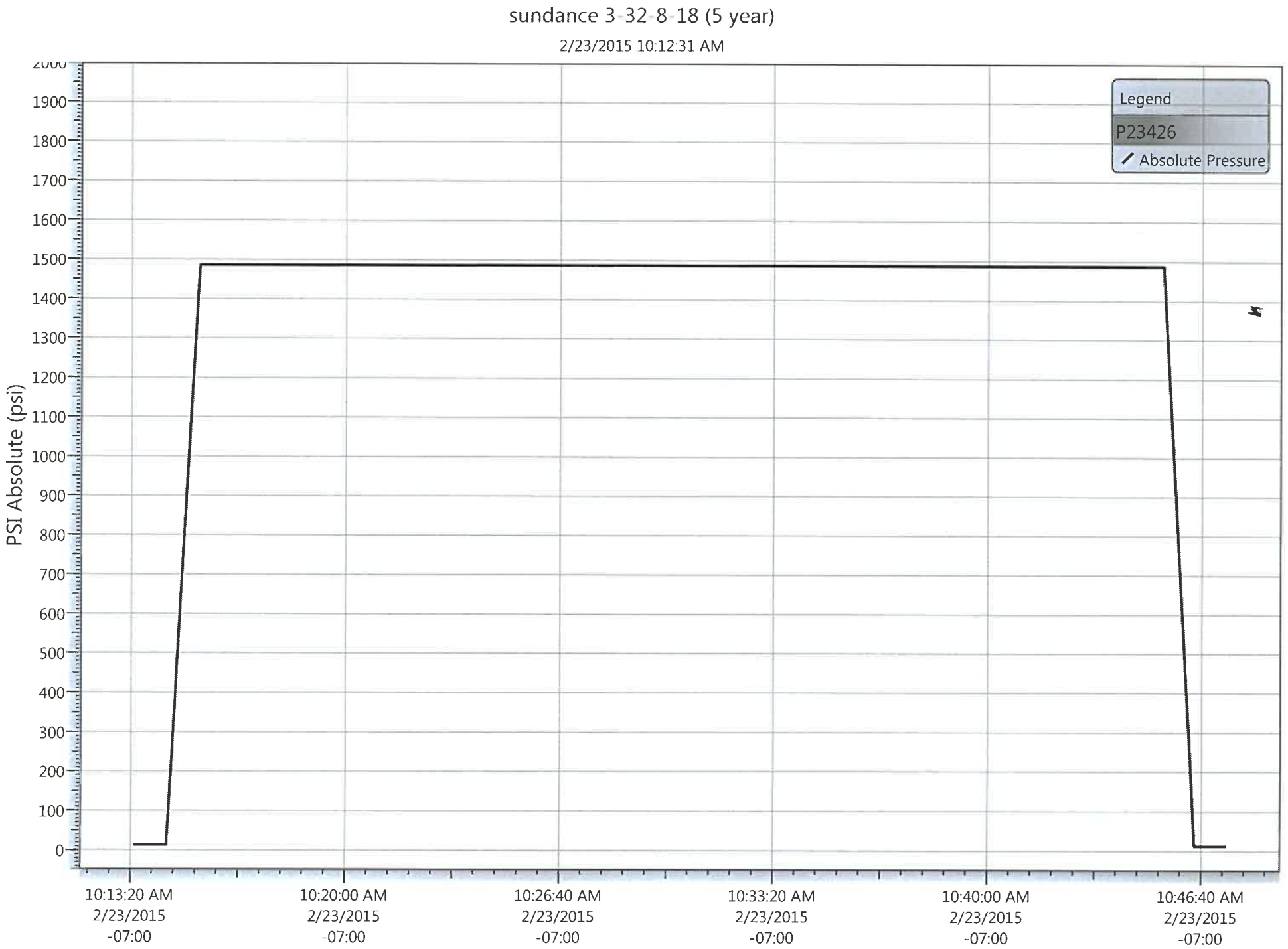
MECHANICAL INTEGRITY PRESSURE TEST

Additional comments for mechanical integrity pressure test, such as volume of fluid added to annulus and bled back at end of test, reason for failing test (casing head leak, tubing leak, other), etc.:

_____

Signature of Witness: _____

Sundry Number: 61047 API Well Number: 43047327410000



Sundance State 3-32-8-18

Spud Date: 2/5/97
Put on Production: 3/5/97
GL: 5072' KB: 5085'

Initial Production: 77 BOPD,
161 MCFPD, 7 BWPD

SURFACE CASING

CSG SIZE: 8-5/8"

GRADE: J-55

WEIGHT: 24#

LENGTH: 295'

DEPTH LANDED: 293.90'GL

HOLE SIZE: 12-1/4"

CEMENT DATA: 150 sxs Class H cmt w/0.2% CFR-3, 0.3% Halad 344, 3% KCl mixed @ 16.4 PPG w/ 1.06 ft3/sk yield. Est 4 bbls to surf.

PRODUCTION CASING

CSG SIZE: 5-1/2"

GRADE: J-55

WEIGHT: 15.5#

LENGTH: 144 jts(6104.49')

DEPTH LANDED: 6104.29'

HOLE SIZE: 7-7/8"

CEMENT DATA: 390 sk Hibond mixed & 390 sxs thixotropic

CEMENT TOP AT: 710'

TUBING

SIZE/GRADE/WT.: 2-7/8" / M-50 / 6.5#

NO. OF JOINTS: 147 jts. (4574.8')

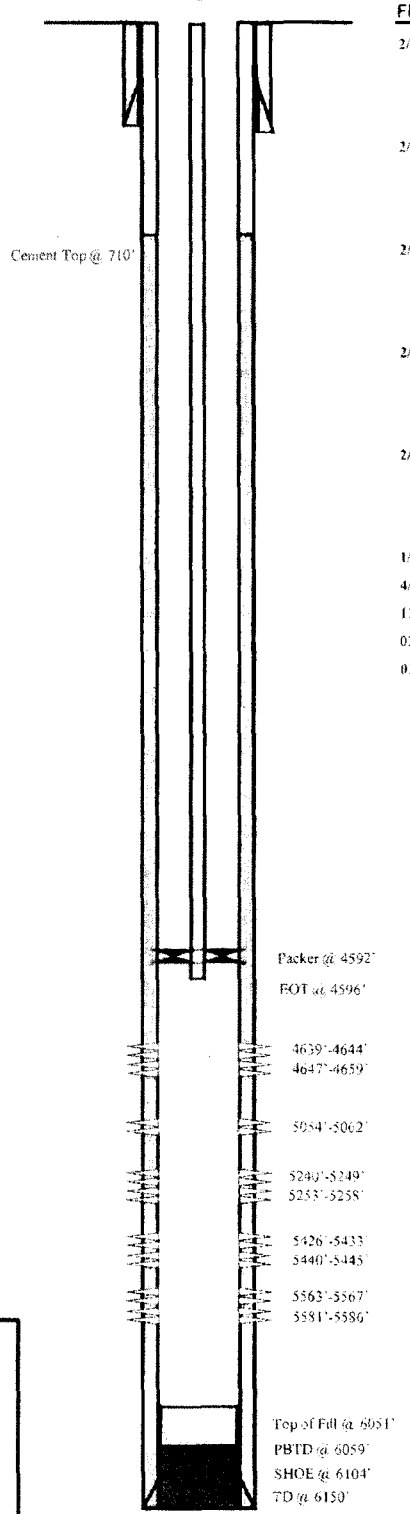
SEATING NIPPLE: 2-7/8" (1.10')

SN LANDED AT: 4587.8'

PACKER CE @ 4592.23

TOTAL STRING LENGTH: EOT @ 4596' w/13' KB

Injection Wellbore Diagram



FRAC JOB

2/19/97	5563'-5586'	**Frac A-1 sand as follows:** 95,700# of 20/40 sand in 530 bbls of Boragel. Treated @ avg rate of 25 bpm w/avg press of 2250 psi. ISP-3303 psi. Flowback for 5-1/2 hours and died.
2/20/97	5426'-5445'	**Frac B-1 sand as follows:** 98,300# of 20/40 sand in 531 bbls of Boragel. Treated @ avg rate of 25.2 bpm w/avg press of 1500 psi. ISIP-1606 psi. Flowback for 5 hours and died.
2/24/97	5240'-5258'	**Frac C sand as follows:** 105,000# of 20/40 sand in 510 bbls of Boragel. Treated @ avg rate of 24.5 bpm w/avg press of 1800 psi. ISIP-2220 psi. Flowback for 3-1/2 hours and died.
2/26/97	5054'-5062'	**Frac D-1 sand as follows:** 59,500# of 20/40 sand 380 bbls of Boragel. Treated @ avg rate of 22 bpm w/avg press of 2400 psi. ISIP-3868 psi. Flowback for 4 hours and died.
2/28/97	4639'-4659'	**Frac GB-6 sand as follows:** 119,200# of 20/40 sand in 531 bbls of Boragel. Treated @ avg rate of 22.5 bpm w/avg press of 1800 psi. ISIP-2473 psi. Flowback for 4-1/2 hours and died.
1/17/02		**Tubing leak.** Update rod and tubing details.
4/05/02		**Tubing leak.** Update rod and tubing details.
11/20/03		**Pump Change.** Update rod and tubing detail.
03/24/10		**Converted to Injection well.**
03/29/10		**MIT Completed – tbg detail updated**

PERFORATION RECORD

2/17/97	5563'-5567'	4 JSPF	16 holes
2/17/97	5581'-5586'	4 JSPF	20 holes
2/20/97	5426'-5433'	4 JSPF	28 holes
2/20/97	5440'-5445'	4 JSPF	20 holes
2/22/97	5240'-5249'	4 JSPF	36 holes
2/22/97	5253'-5258'	4 JSPF	20 holes
2/25/97	5054'-5062'	4 JSPF	32 holes
2/27/97	4639'-4644'	4 JSPF	20 holes
2/27/97	4647'-4659'	4 JSPF	48 holes

NEWFIELD

Sundance State 3-32-8-18
770' FNL & 1956' FWL
NE/NW Section 32-T8S-R18E
Uintah Co, Utah
API #43-047-32741; Lease #ML-22058

LCN 03-29-10